

The UK Government has begun a comprehensive Film Policy Review under the chairmanship of Lord Chris Smith, which is due to report its findings in January 2012. As a part of the process, the London Film School has been asked for responses to key questions about all aspects of film in Britain. Our answers are reproduced below.

What do you think are the key global challenges affecting the film industry in the next five years?

- **GLOBALISING PRODUCTION SERVICES:** The US majors and other foreign investors contribute over 80% of UK production spend, and have more choice of foreign production facilities, tax breaks and skilled workforces outside the UK and the established film production hubs of Europe and Canada;
- **EXPANDING PRODUCTION AND DISTRIBUTION MARKETS:** Growing production and marketing spend on independent film in Russia, India and China as well as other Asian territories;
- **DVD MARKET SHRINKS AS DIGITAL/CROSS-PLATFORM DISTRIBUTION SYSTEMS GROW:** Revenues from DVD sales are levelling off and the digital distribution market is increasingly competitive, as higher bandwidth speeds and new ways to monetise VOD and digital distribution, emerge;
- **SHRINKING US PRE-SALE FINANCE FOR FOREIGN INDEPENDENT FEATURES:** As the US indies and classics divisions reduce investment in foreign pre-buys, there is an emerging requirement for local finance to complete financing on \$6 to \$12M UK features;
- **INCREASING PRODUCTION COSTS:** Relatively high budgets for indigenous production in UK and other key European territories, while the US majors increasingly abandon the 'mid-market' in favour of either blockbusters or specialist films under \$15M;
- **US MAJORS PRODUCING IN LOCAL TERRITORIES/LANGUAGES AND COMPETITORS RAISE PRODUCTION LEVELS:** As the studios increasingly produce globally, independent producers worldwide are building the number and quality of indigenous features and recruiting local upmarket audiences;
- **NEW INVESTMENT IN EXHIBITION:** The re-design of theatrical cinema, particularly in the US and, more imaginatively in continental Europe, with new investment in forms of exhibition which work for a wider range of audiences (theatrical distribution remaining the key platform to begin building long term value for features and re-energised by 3D);
- **SKILLS GAPS/NEW TECHNOLOGIES:** The revolution in film capture and computer generated content, plus growing 3D production, creating new

creative challenges and holding down the minimum entry cost for features -- calling for continuous investment in training, re-training and new facilities;

- GLOBAL INVESTMENT IN SKILLS AND TRAINING FOR THE WHOLE WORKFORCE: Higher levels of investment around the world in training local filmmakers and technicians to high levels increasingly help these territories to compete for international work on quality and skills as much as on price;
- LOCAL FILM PRODUCTION/DISTRIBUTION POLICIES: Countries with growing local audience shares (Spain, Korea, France, Denmark, Latin American territories and others) adopt strong regulatory measures and invest equity to aid the indigenous production side of their industries, alongside competitive tax and subsidy regimes for the selling of production services to international/US feature and television production.

How can the British film industry best prepare to address these challenges?

- INWARD INVESTMENT, SKILLS AND FACILITIES: The global market in production facilities and crewing shifts around based on perceived quality, tax offers and currency fluctuations. The competitive issues for the UK are: a better-trained workforce; selling and supporting exceptional production and post-production facilities; and acquiring the skills to work competitively at a broad range of production budgets on many formats;
- NEW MARKETS/CO-PRODUCTION: Increased regulatory support and equity investment for international/European co-production can encourage new partnerships for UK producers. Most of the industry's key financial relationships are with the US -- and this single focus may hinder producers and sales agents from building sizable shares of the fastest-growing production and distribution markets. Joining Eurimages and the higher level of involvement in European co-production that will follow, plus tax changes involving re-writing the official definition of a British film, would be good first steps, and investing some reciprocal equity to encourage bi-lateral co-production in other key territories would build on those;
- DIGITAL DISTRIBUTION/NEW TECHNOLOGY/NEW SKILLS: Investments in high-tech equipment, high-speed broadband and IP law are important, but talent and invention are the first ways to open doors into markets without borders. Success in the international screen industries, from new digital platforms to TV formats and independent features, is more than ever driven by the imagination and flexibility of creators rather than simply by access to expensive facilities. Cross-

departmental vocational training, feeding TV and the web as well as feature making, and an emphasis on new filmmakers finding their own styles and committing to innovation while gaining high-level skills, are more than ever necessary. The fact that cinema resolution cameras are quite cheaply available broadens access to production, but not necessarily to distribution. In fact, there are so many more feature length films being made, particularly in the US and UK, after technological shifts, that making a distributable feature is more competitive than it has ever been. Specialist craft skills are very important, and they need to be balanced with creative exploration and 'soft' skills in the same individuals and training programmes.

- **COMPETING ON SKILLS AND INVENTION:** The UK needs more and better training provision at the vocational-industry level, where we nurture creative talent and future industry leaders. Although there seem to be many 'film' courses across the UK education system, the industrial end at the top of that pyramid is under-supplied with places, equipment, facilities and scholarships. Given rapid technological change -- and the negative effects on creativity of retaining the traditional separation between two working cultures -- the Producers/Directors/Heads of Department from film schools and the apprentice-trained technicians (akin to the Sandhurst/Boot Camp twin track built into many UK institutions) -- providing good continuous training for the whole workforce is a priority. It is more than ever vital that working freelancers and employed technicians are given opportunities to upgrade skills and educate themselves alongside the new talent in the film graduate schools. Technological change at the current rate requires a 'life long learning' culture and the resources to support it. Talent needs to be nurtured and allowed to focus on the whole job as technology shifts working patterns. Filmmaking needs to become a 'conservatoire' subject at postgraduate level in the UK alongside Drama, Dance and Music.
- **BUILDING UK AUDIENCES FOR INDIGENOUS FEATURES:** Following the economic and employment successes of an inward investment drive over the last two decades, UK producers, financiers, broadcasters, distributors and public equity investors need to focus on local talent and original work -- and on making films visible and culturally recognised inside the UK. This starts from a clearer focus on the centrality of talent and the clearest understanding of how to develop it.
- **COMPETING ON PRICE WITH MORE AND BETTER INDEPENDENT FILM PRODUCTION:** It is hard for the UK to compete on price alone against production facilities in some lower pay/cost countries, but there is no good reason why it should not compete strongly in the

US/Canadian/European markets in independent feature production. Some UK lower budget films are being made with no clear understanding of the specialist theatrical market and its priorities, because UK policy-makers and producers have tended to impose impossibly wide audience targets on smaller films at £5M or under, blurring their singularity and imposing compromises appropriate to studio productions but not to niche films. This misunderstanding of the market for originality adds to the annual UK output of cheap-looking DVD and TV-only films, which lose money. Producers need more development training and resources as well as built-in corporate rewards for excelling in this area.

- **NEW CINEMAS FOR WIDER AUDIENCES:** The part of the UK exhibition sector which deals with getting US studio product shown in urban areas has been considerably developed over the last 25 years, although there are still many deficits related to new technology, old buildings and out-of-date combined retailing models. At the same time there have been slower developments of the tiny specialist circuits. The re-invention of the urban cinema experience will be the crucible of future growth on all platforms, and the UK needs to explore new models created to suit the tastes and needs of returning older/wealthier/discerning/diverse audiences. This development activity needs to be supported through both planning regulation changes and in some cases lottery capital.
- **MEETING NEW TECHNOLOGY WITH NEW IDEAS:** New capture and image-generation technologies are transforming what cinema/TV drama can show and tell. As well as ensuring that UK-based service facilities remain at the leading edge, Britain needs to make new technologies available for training new filmmakers and technicians, and to make provision for upgrading the skills of working filmmakers and technicians across the audio-visual.

What do you think will be the main new opportunities for the global film industry in the next five years?

- A continuing trend for national audiences to take an increased interest in local stories alongside the 'globalised' product, creating bigger theatrical, DVD and VOD audiences for non-studio product. Audiences increasingly accept the entertainment potential of films costing less than \$15 M -- and as the US majors continue to abandon the mid-market in favour of either blockbuster or niche production;
- Premium pricing of 3D theatrical film admissions and resulting re-investment;
- Growing demand in the BRIC countries;

- Globalisation led by technological change – particularly in special and visual effects work, with London already an established centre. The UK is also a centre for creative low budget work and independent film genres with global potential such as the theatrical documentary;
- Reduced minimum entry cost of professional feature making due to digital formats, increasing output;
- Increased earnings from new platforms, including VOD/PPV.

How, if at all, does the British film industry need to change to take advantage of these opportunities?

- **SKILLS -- INDUSTRY-LEVEL GRADUATE TRAINING NEEDS BETTER FACILITIES AND SUPPORT:** The UK has three Skillset-recognised graduate film schools: The National Film and Television School, The London Film School and Screen Academy Scotland. LFS and NFTS have a working cooperation/overlap agreement so that they work in complementary ways on differently structured programmes across a range of specialisms without wasting resources. NFTS has an annual grant-in-aid and LFS, although it has Skillset bursaries and some limited HEFCE support, is a self-supporting charitable trust. Both schools are in urgent need of capital investment if they are to serve the next generation of talent and specialist technicians. NFTS needs better buildings and equipment to support new courses, and LFS needs more space and up to date facilities to consolidate its recent developments, house expansion and new provision, plus new equipment and more bursaries to make its work more useful to a diverse group of talented UK filmmakers. As well as training graduates on longer full-time MA programmes, all three schools offer crucial support to the industry by delivering CPD training to the existing workforce. Skills and talent will be at the centre of future success and the UK is both under-capitalised and under-capacity at postgraduate level.
- **MARKET SHARE -- RE-ASSERTING AN INCREASED LOCAL AUDIENCE FOR UK FILMS AS A CULTURAL AND ECONOMIC TARGET:** Building the UK audience for UK-financed films has been an official aim since the massive fall-off of the 70s and an explicit Government priority since 2000 -- but seemingly quite a low one with very little discussion of levers or even clear published statistics. This has been on the back burner simply because it's the most

difficult task of them all, and in business terms because foreign markets like the US are attractively big and accessible, export earnings money is still money, and producers seek out audiences wherever they can be found. Putting in place the structure to achieve a higher level of local take-up for UK cinema, one that might be ordinary in France, Spain or Korea (i.e. moving from under 6% to almost 40% for UK/European work) is the main cultural task and *also* the key to the industry's long-term economic viability. Why? Because this is the fastest-growing area of both production and consumption, and has the beneficial side effect of selling and fuelling our other business – the UK's vital job as a film facility hub. It may take more than two political cycles to achieve significant growth in this area, which is perhaps why it generally appears under desirable-but-not-essential in official studies. Also, as recession bites in Western countries, there will need to be downward pressure on average budgets making it likely that the UK will produce more work which is first of all local in its impact.

Untried policy options to ensure better results in the local market include: Specific reward corridors for producers from public equity funds and broadcasters, triggered by local box office success; Regulation, incentive systems and lottery investment in exhibition, especially outside London; more UK-specific P&A funding via conditionally repayable loans; Pressure from licensing authorities on broadcasters around minimum prices and windows; Concerted DCMS/BFI/ACE engagement with UK independent film as the medium expected to reflect contemporary British life as much as UK television drama is reputed to. Inward investment and film export are vitally important to the short term value of the film economy, and must be built upon, but must not be allowed to skew our understanding of the longer-term priorities for production and distribution strengthening of a national industry.

- **INCREASING SUPPLY -- MORE FIRST, SECOND AND INDIGENOUS FEATURES:** The UK needs to stimulate audiences and consolidate UK film careers by adding to the number of properly-financed (i.e. over £500k, with professional wages) first and second theatrical features made, as well as making more films which initiate and develop the careers of franchise 'names' to put alongside Leigh, Loach, Davies or Frears. This might be achieved: by allowing public equity to support bigger proportions of individual budgets within cash limits, increasing imaginative risk taking; by imposing minimum expectations on

broadcasters via licensing based on the new 'C4 film mission' model (SKY, ITV, BBC and Channel 5 might have new broadcasting licenses made conditional upon minimum levels of annual investment in UK-based features costing under £5M, with minimum license prices and an equity pot set aside); by stimulating UK-European co-production; and by subsidising P&A costs specifically for selected local lower budget films.

LFS EXPERIENCE: LFS, which is a key source of talent for many other film industries in countries including Mexico, Norway, Japan, Portugal and Greece, finds that despite huge graduate feature success in the last decade (in early 2011 two Oscar nominations, two films in Official Selection in Cannes, three features in competition at Tribeca, opening film at SXSW...) and a major impact in the UK (two Screen International New Talents, films produced by Microwave and developed by BFI and C4 in the last 2 years), Britain is consistently a harder territory for graduates to crack with first feature financing than these others.

- **CHANGING THE TERMS OF DEBATE – LEARNING TO ACCEPT CULTURAL FILM AS A BUSINESS:** At present UK indigenous film is going through a strong creative period. But in the policy/funding background the last rhetorical battles of a phoney war between culture and commerce are still being fought. The argument, which has nothing at all to do with real markets but is all about the status of cinema as art in the national culture, has sometimes had the paradoxical effect of hindering UK producers from making commercially successful work. The problem flows from an under-supply of low budget UK films between £1M and £5M, including both imaginative genre work and melodramas/art films, suited to niche audiences interested in quality and innovation. Such projects became unfashionable amongst many feature producers after 2000 following public funding policy shifts. They became hard to finance or profit from. Quite often a spring and summer of 'Grade A' global festivals will go by with only one or two new UK films programmed in prestigious competition slots. Within the UK there is a definite tendency amongst the educated urban audience committed to world cinema (those known to US distributors as the black-coffee-and-carrot-cake-crowd) by which they will avoid British film as a brand, making exceptions for particular directors one by one, because the UK makes so little attempt to compete in this market, each 'festival film' strangely exceptional having taken many years to finance. Britain can take

advantage of the current changes in global film markets as long as it adopts policies to encourage this faster-growing sector -- well crafted, distinctive films of local interest made by original, highly ambitious filmmakers, usually at lower cost -- alongside the established market for more expensive studio pictures the UK is so good at delivering. Such indigenous films should also become big audience films relative to their cost. The task is to stop officials and the industry artificially separating culture from commerce to define single works. Every film is capable of being culturally valuable, just as every film needs to justify its cost based on a prospective market. The UK independent producers' job is to build viability for local films based on talent and cost, finding the right/'bankable' price for each potential audience. The word 'commercial' has economic meaning and should not be used, as it so often is, to mean middle-of-the-road or unchallenging, any more than 'specialist film' means 'flop'.

During the last 30 years only the film industries of the US, India and Hong Kong have received a direct return on production investment without considering tax incentives, soft government equity or prestige television pre-buys, so that these are the only territories with a 100% private market in production cash based on the re-investment of net profits. This is unlikely to change in the near future for theatrical films, whose market and risk characteristics are so different from those of television production. British cinema will continue to need properly structured investment from public service and private broadcasting, Lottery funds and grant-in-aid in order to build a business on the shoulders of its own audience. It will certainly need more of such investment from Lottery funds if 2012's UK film policy is to be a genuinely ambitious and far-reaching one. A 'sustainable'/wholly self-funded industry here and now comes mostly from the export of production services for US-funded work. This important sector must be seen as helping train, inspire and cross-subsidise an important and culturally valuable industry of locally financed films which will become increasingly viable. Sustainability must be a target for a whole industry, not a film-by-film mantra of the risk-averse.

Worldwide, creative and marketing practice and the business models at the two budget ends – the studio blockbuster and indigenous feature without US distribution pre-sales -- are moving away from each other. In terms of investment sourcing, distribution and marketing methods, they are getting closer to being two businesses, each of which need to be nurtured in specific and precise ways.

Broadcasters and new equity investors need help to find a consistent way of supporting UK independent theatrical cinema, which attracts its audience as much through innovation and originality as through familiar package elements (casting, best-selling books, news stories). In the UK Channel 4 has demonstrated the business and cultural potential of this 'less-packaged' model very effectively in the last decade and provided a lead to be followed.

Development: What do you think are the most important issues to be addressed in future deployment of public funds in feature development?

RULES: Development funding should be widely available from public sources on a matched basis, with a definite focus on more projects and earlier investments rather than later, bigger investments in fewer projects. In recent years, public funds have begun to impose stringent investment return provisions and back end demands based on the business models of private investors. This is irrational and has been built up thanks to the advice of legal consultants keen to create one system built on the expectations of commercial clients. It is unhelpful to producers and the industry in general to eliminate what is still called 'soft' money through such conditions.

QUOTAS: There should be loose minimum quotas of overall development investment from public and broadcasting sources for original screenplays, writer-director films, and contemporary UK-based projects.

SHORT FILMS: Often the most valuable development investment for government equity is the financing of low-budget shorts, which help build credibility for new careers and styles.

EXPERIMENT: Unconventional forms of development support including improvisation, workshopping and group writing should be embraced, so that public investment, as a matter of policy, focuses as much on fostering original risk-taking as on mitigating risk by reference to the existing market. Such investment will also draw out more support for experiment from the conservative investors amongst equity funds, broadcasters and distributors.

DEVELOPMENT TRAINING: Producers who need training in development and packaging work should be given access to intensive workshops, allowing them the broadest possible understanding of how success can be achieved in local and foreign development models on big and small films.

GROUP DEVELOPMENT PROGRAMMES/LFS: In 2010, the LFS launched HOTHOUSE, not a course but a development programme for professionals who

have started careers, with six participants including a couple of graduates of the school. The project is focussed on writer-director first and second features of a more challenging and eccentric nature than would be quickly taken up for development by a commercial funder. It was funded by Skillset and has seen considerable success, bringing producers and outside development investments to participants. Hothouse 2, launching in March 2012, will build on this model. Although similar to the specialist development projects which have existed in Europe for some years (Residence du Cinefondation from Cannes, The Mauritz Binger Foundation in Netherlands, Nipkow in Berlin), HOTHOUSE is currently focused on the UK only, and has the unique distinction of delivering projects with an advanced draft plus a budget, schedule, some packaging and a preliminary finance plan – a whole project. A little support for such high-risk-high-return projects can make an impact on the future talent base for UK features.

Why do you think that the way lottery funding is used for development needs to change?

The UK needs a system to set aside development money for the future films of producers who have achieved success at the box office or the festival circuit with independent features, allowing some automatic funding for expanding slates of films. On lower budget work the BFI Production Fund should retain the ability to match the producer's investment without seeking development funds from other sources.

Why do you think that funding for company slates should be considered in the future?

FOSTERING INNOVATION AND DISCOVERY: Previous slate funding for companies aiming to develop films for world theatrical markets have had uneven results, mainly because of the patterns of offshore fundraising have been unpredictable, but smaller companies working on the basis that they will identify innovation and new talent franchises are in need of continuous development support to have a chance at success in this risky but important enterprise.

DEVELOPING PRODUCERS: One key issue for the future of British filmmaking is the development of the country's production community and its diversity. Government should consider investing development funds to support the salaries of emerging and promising producers, over fixed terms, in public-private partnerships with production companies and TV production houses. At present the UK community of feature producers is overwhelmingly drawn from a narrow social group, and this hardly surprising given the economic barrier to

entry: years of low or no earnings required to get into the business and develop attractive projects. TV companies do better at developing talented script editors and producers from a wider section of the community. Government partnerships, which could reduce the initial cost of companies building up feature arms or breaking in to features, and which support emerging producers based on skill and achievements, could have significant results. Such a scheme would also recruit producers whose main training is in scripts and talent rather than financing and packaging, into the business, which would be no bad thing.

Why do you think that script content being developed in the UK should reflect our diverse population in the 21st century?

Local television is more international, changing its role in the social dialogue, and cinema is slowly becoming more local again. In ten years, UK independent filmmaking should have equal significance in the culture with Ealing Studios and its aims in the 1950's or the BBC Drama department in the 1960's, as a reflection of British life. These films will also be the way to make television achieve local significance. Despite important films about our country, from NAKED to MY BEAUTIFUL LAUNDRETTE, independent film in Britain has failed to adequately represent contemporary life to its own audience for a long time, and it has also mostly failed to reflect the lives of Afro-Caribbean and Asian diasporas, working class experience and history, rural life, or even contemporary middle class urban life in its most intimate forms. There is everything to achieve in making UK cinema more relevant, and new markets to serve.

Production

What do you think is the most important issue to be addressed in the future deployment of public funds in the future of British film?

MICRO-BUDGETS VS. LOW BUDGETS: In an average year, based on the British Council Film Department's Yearbook, the UK produces just less than 200 feature films, the vast majority not distributed. Most are not seen because they are aspirational experiments made by untrained people who want to work in film, but who do not bring either craft training or significant creative ambition to the enterprise. This has the effect of putting many people off supporting local low budget films, although in fact the relative lack of properly structured funding in this area helps lower ambition, and so returns. The UK can deliver growing audiences for original independent work by shifting public funding priorities for discretionary investments decisively towards innovation, surprise and local impact, making more professional films costing between £500,000 and £4M. In this way the ambitions of a generation of talented artists could be

focussed at a higher level and smaller films could be made more viable in the market. Valuable public funding streams like Film London's MICROWAVE films should start at higher minimum budgets (say £250,000 rather than £100,000) so that the films can attract crew, cast and producers who actually need to be properly paid for their work – at present they arguably make films which are part-subsidised by the savings of their makers.

AUTOMATIC/DISCRETIONARY FUNDING: Incentivising producers by holding a proportion of UK box office and public sector recoupment in escrow for future re-investment, supporting local P&A and allowing greater reciprocity in co-production deals, are measures which might allow the BFI Production Fund to develop a workable twin-track support system, using such a semi-automatic funding stream alongside tax support while setting clear priorities for its discretionary funding. During the Arts Council Lottery funding period and the UKFC years, discretionary funding was regularly awarded to projects whose local audience/innovation value was limited, based on economic arguments about addressing 'market failure'. If tax credits, automatic dividends and better pricing and conditions from broadcasters were to make life easier for producers doing important work in the zone between £6M-£15M, lottery production funding could declare a proper focus on building economic value and new audiences to independent work at £500k to £6M.

COMPLEX FINANCING: At present, as an increasingly complex finance and pre-sales market requires that there be many financiers gathered together even for films costing under £2M, and public funders insist on UK distribution deals being in place before public investment, a bureaucratic structure applied to spontaneous and eccentric work can have the effect of blunting the edge of an interesting film or building up the budget and delaying it into eventual cancellation. Public funding needs to be freer to act with, say, just a local UK TV deal in partnership funding where there is a useful risk to be taken. Involving distribution companies in financing UK films where it makes sense for them is a very positive thing. But asking for their development input on films, which are original or unpredictable in an unpredictable theatrical market, can hinder commercially valuable experiment. In a high-risk-high-return area, mitigating risk in standard ways can be the enemy of profit. In these cases the industry should support the public funder as curator and risk-taker rather than as cautious financial partner, and allow them to invest in films without secure deals for UK theatrical on the first day of photography.

Government would like to help build viable independent UK film companies. How can this be achieved?

REWARD CORRIDORS: A system for holding a proportion UK box office/DVD revenue in the name of an individual company and re-investing this in the next film (a UK invention and now the basic system by which the French government develops film companies) could be valuable in rewarding strong and consistent performance. The failings of the current UK systems for slate support are that companies get judged on rhetoric and connections at the moment of application rather than on continuous business performance.

CROSS-PLATFORM COMPANIES: Film-only companies, at least the majority of them without US distribution arrangements, may continue to be a 'cottage industry'. Many future successful film companies in the UK will be offshoots of television/advertising/cross-platform production entities. However with profitable business models available in these other areas, such companies will need to be seduced into the less profitable film production business through regulation around profit corridors from financiers, built in advantages for distribution and public equity offers.

Do you think the way that film tax relief is used needs to change in any way?

The current system fails to encourage European co-productions involving the UK, although European co-operation will grow in economic importance in the next decade. In addition to joining Eurimages – and the UK would quickly be a net cash beneficiary of that deal -- the UK government should re-structure tax relief rules to encourage such co-production.

Do you think the role of UK broadcasters in the film industry needs to change?

THE C4 MODEL: The feature film policy of Channel 4 has in the last few years shown once again how vital the Film Four idea of the 80s was and can still be in providing the UK industry with support and leadership. The change that has made it an explicit part of the Channel 4 charter to produce films is extremely positive, and shows a way forward for other broadcasters in acknowledging that a developing industry in Britain will be built on consistent and imaginative investment from TV.

INVESTMENT AND REGULATION CHANGES: Many reviews of the industry have been conducted without facing the glaringly obvious problem that broadcasters need to be officially given more cultural and financial responsibility for filmmaking in the UK via licensing and regulation if we are to break out of a cycle of under-investment. Fostering and developing independent film is a proper responsibility of taxpayer-funded public service broadcasting

and the major private providers too. No big changes in the scale of local production or its audience can be expected without two shifts in the regulation of broadcasting: 1) Minimum equity investment levels and numbers of films for local filmmaking (i.e. films without US pre-sales) plus minimum licensing prices in an across-the-board broadcasting policy which includes satellite operators; 2) Broadcast organisations being judged to some degree on whether their film output tends to reflect British life and diversity, for the purposes of re-licensing.

Why should the closer integration of production companies with distribution be encouraged?

MARKET KNOWLEDGE: The knowledge of distributors is an essential resource in independent filmmaking, and the UK has had a distinct lack of such savvy going into the development, packaging and investment processes. While it is quite normal for US independent producers to have begun their careers as distributors and for distribution companies to dominate production finance, starting from an intimate idea of how audiences respond to content and marketing, in the UK only a very few former or existing distributors have entered the production business.

A STRUCTURAL OBSTACLE: The presence of television investment as a prerequisite for most UK films long ago created a market distortion that makes such films comparatively less viable/profitable for independent distribution companies. Generally with imported product, satellite, VOD and free TV licenses are key income streams through which a distributor can amortise the initial high costs of theatrical release. In the case of a UK film part-funded by a broadcaster, such costs can generally only be covered via DVD royalties (this may be one reason why UK distributors advise so many first time filmmakers seeking support to do genre films, since initial DVD acceptance will be significantly higher for these titles). Because of this distortion, which has made it important for broadcasters to concern themselves with UK releases, and sometime subsidise them, incentives for UK distributors to take local product more seriously and open it more widely need further exploration. Without this, the long-term dominance of the US majors over the UK theatrical and DVD markets, and the relative insignificance of indigenous UK films will be much harder to challenge for UK producers.

Distribution: What are the most important issues to be addressed regarding the UK film distribution business?

- **LOW RETURNS ON CINEMA BUILDING/IMPROVEMENT:** There are very few local planning advantages in building or improving cinemas in the UK, and this has helped perpetuate a situation where independent

distributors have very low returns outside London – there are not enough cinemas, and they are under-capitalised. One key result of this is short runs of well-reviewed films with more potential ‘play’ in them, hitting producers’ returns.

- **LESS RETURN FROM TV:** TV acquisition quantities and prices for non-mainstream film on the main channels are going down in real terms, making it harder to survive with small films which are often not sold for local broadcast or sold at cheap rates (for late slots on BBC4 or to cable channels);
- **NEED FOR INCENTIVES TO DIVERSE PROGRAMMING:** The UK needs to structure its conditionally repayable P&A support funding to ensure that it contributes to a more diverse diet of theatrical releases. One way to do this is to ring-fence a percentage of available funding for films below a certain negative cost, a provision of the first EU distribution funding system which had significant results;
- **NEED FOR MORE AND STRONGER INDIES:** The difficulty of generating consistent revenue from the distribution of independent work has meant that there are very few powerful players in the specialist business (essentially limited to those who can book films into their own theatres) and it is consequently hard to break into the business, meaning that it is less competitive and the choice of films bought for the UK is restricted;
- **RENEWING THE OLD-FASHIONED CINEMA MODEL:** Mainstream circuit cinemas in the UK have been reluctant to invest in retail environments that are appropriate to older/upmarket/niche audiences -- although they regularly have almost empty screens for failing blockbusters. Public investment or local incentives could have an impact on this problem, which helps make the UK officially (amongst sales agents) the hardest major market in Europe for ‘foreign language’ titles;
- **NEED FOR TRAINING/LFS EXPERIENCE:** As discerning audiences demand more local programme models, distribution and exhibition professionals need better education in Curating (film programming, markets and marketing, intellectual property, acquisitions, preservation, industry practice, sales and distribution). A better-trained, more independent-minded workforce will build a culture of showmanship and experiment in distribution, exhibition and DVD publishing, identifying new audiences and business models more effectively. The London Film School began offering an MA in Film Curating, the world’s first such qualification, in 2010 in association with Birkbeck and The London Consortium, taking on 18 students from all over the world. The students undertake placements in various companies at Rotterdam and Cannes and at graduation they mount one-off experimental programmes in UK

venues. The degree is heavily over-subscribed for 2011-12. The LFS is also one of five graduate institutions worldwide which have combined to create the EU-funded training workshop MAKING WAVES, which will train producers, curators and distributors in the latest best practice in positioning and exploiting independent film through various platforms beginning in February 2012 in Berlin.

Why should the government maintain its policy commitment to increasing the market share of UK films in the UK market?

The re-definition of a qualifying British film (after *The Full Monty* turned out to be officially a US film in 1997, to the embarrassment of the authorities) has muddied the statistics, and the current definition is both too broad for US-financed films and too narrow for European-financed work. A clearer definition for tax and statistical purposes, based primarily on local investment, would reveal that little has been achieved in this area since the 80s. Increased local market share is as much an economic imperative as a cultural one. The examples include Denmark and Spain, countries where over the last twenty years emerging talent franchises (Dogma and Pedro Almodovar et al) serve to demonstrate how such new local audiences generate energy and improved turnover across a whole industry.

What are the potential government roles in relation to new distribution models?

BROADBAND: Making internet use a key source of income for feature distribution seems a good way off, especially as the US majors re-capitalise 'event' theatrical cinema and lead the market in that direction. But as VOD begins to rival DVD sales as a market segment, widely available ultra-fast broadband will be a very important condition of that expansion and Government should do all possible to enhance the system.

FILM FESTIVALS: Festivals and mini-festivals are becoming an important avenue toward increasing diversity in the UK's film diet, and they need proper support. A recent statistic showed that the London Film Festival's budget was one fifteenth of that for another important festival-of-festivals, Toronto. Edinburgh needs to be re-established in August and re-focussed on discovery and innovation as well as the UK's feature output and the prizes it used to award. The BFI needs a mini-festival support fund for events that happen away from its own screens.

Exhibition: Is there a role for government in stimulating innovation in relation to digital technologies in the exhibition sector?

The Film Council invested all of its capital equipping cinemas with 2 or 4k digital projection over the last decade. There isn't a great deal of evidence of these projectors being used, as they perhaps should be, to allow for instance well-curated outside London weekend festivals of independent work where there are no film prints available. Mostly the projectors seem to be in the larger screens, supporting digital projection of mainstream work. So far the cultural benefit seems to be in occasional live feeds from the National Theatre or ROH. This technology could really transform 'repertory' cinema offerings in the UK's independent screens, as well as, for instance, the London Film Festival's audience and remit across the country. Mini-festival programming subsidy needs to follow the original capital to fuel more diversity of programming.

Is there a role for public funding of independent cinema exhibition?

There has been only limited improvement in the diversity on offer and the audience size outside London since the age of the BFI 'Regional Film Theatres'. There should be programmer training, booking and other support to cinemas falling within the Europa Cinemas guidelines, with incentives to generate education work. Such a system could and should be adapted to create venues combining mainstream and independent product, a process already instigated by the Film Council.

The new tendency for arts venues, clubs and other institutions to generate "pop-up" repertory and special screenings is a significant movement in the film culture and should be actively supported by the BFI.

LFS EXPERIENCE: The London Film School has been running regular screenings for students and industry for many years, both introduced features with Q&A's and discussions around revivals or film school films. Fritz Lang, Alfred Hitchcock and Jean-Luc Godard have introduced screenings there in their time, more recently Mike Leigh, Samantha Morton, Stephen Frears and Bruno Dumont. One important side-effect of a new premises for the school will be to continue this programme and make it possible to offer filmmaker-oriented screenings and master classes open to the whole film and television industry, featuring Filmmakers-in-Residence and colloquia, also providing a platform for the school's graduate Curators. The initiative addresses different audiences from the BFI theatres and seeks to amplify BFI work. BFI print support and collaboration for such projects, helping create a new generation of student-and-enthusiasts small venues, will be vital.

UK Film and the international market: What do you think is the most important issue to be addressed for the future of the UK's relationship with the international market?

RECIPROCITY: An under-supply of UK 'soft' public equity investment in film, as compared to countries with a similar population, has over the last thirty years earned the UK a reputation as a country which has a strong film industry but which is often lacking in the resources or the will to operate reciprocally. Although there have been many new bilateral co-production agreements signed over the last decade, they are not very much used. At the same time the UK trades on its successful relationship with the US majors, sometimes offering US-oriented business and legal advice to other industries without spending any noticeable energy examining their best practice or alternative business models that might work here. The BFI Production Fund should actively seek out affordable ways of mending this reputation, for instance by funding and hosting worldwide and pan-European exchanges of good practice, and putting aside the time and resources to look for exciting and affordable co-production opportunities.

BRITISH COUNCIL FILM DEPARTMENT: The main promoter of the UK to the film industries of the world is the under-publicised British Council Film Department. Its vital role – promoting the UK as a country with a vibrant, youthful, creative independent production sector open to partnerships, could not be achieved by BAFTA, UK Film Commissioner activities or a combination of Sales Agents subsidised by BIS, although all those things remain important in the business.

LFS is involved in a number of EU wide and international collaborations in training, and the British Council has been a crucial partner in brokering these arrangements and assisting with scholarships. Its role should be maintained in this area.

LFS EXPERIENCE: The London Film School recruits 70% of its students from outside the UK, around 40% of the total student body being non-EU. The quality of the learning experience generated by this mixture, for the international students and crucially the UK/EU ones, is an important part of a proven graduate training model. Recent changes, which imply that the UKBA will not allow a not-for-profit charitable trust such as the LFS to sponsor international students visas under which individuals can work part-time, will threaten one of the school's key missions: to recruit, using scholarships it helps to raise, students from poorer countries without graduate education in film, often countries with substantial diaspora communities in Britain.

Is there a need for the UK to engage more proactively with European initiatives relating to film?

Yes. The UK should join Eurimages as soon as possible.

Do you think co-production (as distinct from inward investment) is an important business for British film?

Yes. There is a tendency for co-productions to be described as such only when they are seen to be culturally unfocused or otherwise unsuccessful. Many important films made in the UK are co-productions, including most of Ken Loach's recent work. The UK is less good at generating co-productions than other near territories because of its exclusion from Eurimages, allied to the fact that UK producers have historically been the only ones in Europe with product they could pre-sell into US distribution, making them prefer that source of partnership and finance when they can get it. As such US deals become harder to do, a growing part of the production business will have to rapidly improve at co-production and look to the East for finance.

How can Government and Industry ensure we engage effectively in new and emerging markets – for example, China and India?

The UK has a great deal to offer emerging markets, particularly in brokering US market relationships, and offering post-production services, animation and visual effects as well as selling our films into their markets.

Relationships with producers in these territories are often built up through craft education with an international remit. The London Film School is doing a considerable amount of training work in MA programmes for students who will return territories like India and China. What is especially important for the Government and the Industry is to support bi-lateral and multi-lateral graduate training initiatives, as well as individual relationships between schools, which allow future partnerships to emerge. The role of the British Council Film Department in showcasing independent work, making introductions and creating new relationships for institutions like LFS should not be underestimated. (See 30)

What do you think are the minimum requirements for the publicly funded UK film presence at key international markets and/or festivals?

See 30 and 33. UK film stands and business areas are an important part of markets and festivals. Current provision is under-supported in comparison with other national industries of comparable size, meaning that major UK-based companies often opt to work completely away from their national

industry umbrella. On one level this is not a problem, but it does contribute to a fragmented image of the industry for foreign trade partners.

The government should consider combining the inward-investment-driven Film Commission activity with the networking, sales and festival support work done by the British Council. There is no reason to separate these bureaucracies beyond an over-emphasized culture-industry split which already does commercial damage and wastes resources for UK film.

Talent development: Do you think enough is being done to find and nurture exceptional filmmaking talent amongst children and young people, compared to other art forms (for example, dance, music or theatre)? What more do you think could be done to nurture talent?

16-19 year olds have opportunities to explore filmmaking in the UK, from holiday schemes run by local authorities, to First Light, to the 2012 Cultural Olympiad "Film Nation" and Tate Modern initiatives. However whether 'exceptional talent' is being nurtured in the same way as for drama and dance is debateable.

BROAD EDUCATION/TRAINING OF FUTURE FILMMAKERS: It is important that film is taught well in schools inside or outside the curriculum – and Film Club has big achievements and future potential in this area – but a question implying 'filmmaking talent amongst children' is in itself based on a misunderstanding. Film is a combinatory art form, the 'Seventh Art', which depends on creative cultures and technical understandings in the worlds of writing, performance, photography, fine art, sound, music and design in order to make its impact. Many prominent filmmakers in Britain have studied Literature, Drama, Languages or Art History, or been to Art School. Some trained as lawyers or social workers. The LFS Chairman Mike Leigh attended RADA, Camberwell School of Art and The London Film School in the 1960s. Children and young people need to understand and appreciate film, but the talent specifically for filmmaking (rather than the understandable aspiration to work in an especially glamorous field of creativity) is unlikely to appear in such a form while they are educating themselves in some of the fundamental skills above, before the age of 19.

TEACHER TRAINING: In school and youth club education for both filmmaking and film appreciation, it is important that those doing the training have a good working understanding of film and filmmaking and are fully capable of teaching basic skills in the employment of film to convey stories and ideas. Although this seems obvious, it is not often the case. The problem points to the need for new "Using Filmmaking in the Curriculum" training in B.Ed. and PG Dip. Ed.

courses, and LFS has been exploring creating such programmes via partnerships during the last year.

LFS EXPERIENCE -- FILM GRADUATES IN SCHOOLS: The school has also set up short-term projects involving its graduates supporting 13-17 year old school students making film projects within individual secondary schools, and these have been very valuable for teachers and pupils alike. LFS would like to see an expansion of this idea, given that recent graduates of UK MA programmes in filmmaking are an untapped teaching resource. Currently most school teaching emphasises the glamour of visiting filmmakers and the industry they work in, making film seem a distant horizon rather than an accessible zone, and generally these film professionals do not have time or resources to do hands-on training during their brief school visits.

There is a view that in the UK, we do not have enough cross-sectoral expertise or sectoral integration. How can we ensure that talented individuals work together across sectors? What role, if any, is there for public funding to facilitate this?

CULTURAL ISOLATION OF FILM: There's been a policy emphasis, built up in the last 'Bigger Picture' policy report, on the need to assert film's status as more industrial and commercial activity than art form. While this may or may not have sharpened UK business skills, it has also had the unfortunate side effect of consolidating the isolation of cinema and its practitioners from the surrounding cultures of theatre, fine arts, literature, architecture, photography, dance and music.

MEASURES TO BRING ART FORM PRACTITIONERS TOGETHER/LFS: LFS puts an emphasis on the desire to recruit a proportion of MA candidates who have achieved significantly in other art forms even if they have no film reels or feature scripts to offer on arrival. The school is working in collaboration with a number of cultural institutions aimed at crossing these barriers and bringing creative communities together. For five years the school has been running a film project with the National Gallery, "Transcriptions", which was initially supported by Skillset. It regularly collaborates with the Royal College of Music's Composition MA programme and is developing new collaborations with RADA, The Place and other arts organisations. LFS sees itself as a 'conservatoire' school, with all the implications of the term implying intense commitment of time and energy, small groups, high-level technical provision and a culture driven by craft, excellence and innovation.

'CONSERVATOIRE' TRAINING: An important government change in this area would be to add Film as an area of practical postgraduate study to the other

conservatoire subjects brought together in the UK's Conservatoire for Dance and Drama (CDD). While LFS already works with these conservatoire schools, being brought under a common umbrella would link teaching and study communities, establishing an important new priority for HEFCE: that a number of post graduate conservatoire places need to be funded at the higher conservatoire level (currently around £11,000 p.a.) in order to ensure access to the best training in film for the most talented candidates in parallel with other areas. Government sees the CDD funding as offering a guarantee of diverse recruitment into elite professions for acting and dance, and the same implications would flow from an investment in film.

ROLE OF THE ARTS COUNCIL OF ENGLAND: In the past there have been production initiatives to encourage the integration of art forms, mainly delivered via ACE. In film, this has meant Artists' Film and Video funding, Dance on Film and work with composers. More public intervention in such post-graduation projects prioritising interaction and innovation could stimulate new and marketable collaborations and sharing -- of both new ideas and overheads. It could also help ACE grow towards a more realistic and modern policy position under which although 'film as film' remains formally the domain of the BFI, the Council acknowledges independent film work not made by visual artists but for the conventional film market as respectable art for the purposes of artistic collaboration. This change would have an impact over time on recruitment of talented people into the industry. It would also build the perceived value of UK film for the audience and the aspiring filmmakers amongst them, removing existing barriers to collaboration.

SPECIALISATION AND MOVEMENT BETWEEN ROLES IN FILM AND TV: The movement of talented professionals between the sectors of the UK audio-visual industries (film, television, commercials, games, cross-platform, web-streaming) can be aided by providing both a broad creative education and highly specialised craft training in screen production at graduate levels, keeping a focus on the transferrable skills required for these professionals to up-skill and switch successfully to new areas. The UK's interest in the very early identification of special vocations (perhaps fuelled by reality TV formats) may be highly significant for young musicians, actors and gymnasts but in the ever-changing specialist areas of filmmaking it is best not to confuse potential or talent with very early specialisation.

There is a view that UK talent has historically drained away to Hollywood following initial success. What do you think is the main reason for this, and how would you propose to address this?

Although it presents supply problems in highly-specialist areas like visual effects, few professionals across the whole industry think of the mobility of labour from the UK to the US in film as a major problem. From the point of view of training and the natural uptake of good practice from one industry to another, it also carries many benefits.

RANGE OF OPPORTUNITY: It is true that filmmakers who have the opportunity to work both in London and Los Angeles report a shortage of opportunities and artistic freedom in their home production market, although they are ready to earn a great deal less when working at home. The UK independent feature industry is too small and inadequately supported by local audiences, when compared with other countries with a similar population, to hold on to the best talent consistently.

YOUNG ACTORS: As things stand it is impractical and professionally inadvisable for talented young actors from the UK to make local films a focus of their ambitions, with the result that our new local 'stars' are stars of TV. This might change dramatically if there were more indigenous films with a stronger UK audience, as in France and Spain.

How can our film schools best prepare for the challenges and opportunities of the digital age?

SKILLS AND TALENT: To remain globally competitive, the UK must ensure that film schools are properly funded so that they are able to train graduates in specialised disciplines demanded by industry to the highest standard using the most up to date technology. The UK's key institutions will need to offer more places and bursaries, engage with emerging technologies and ensure world-class training for skills and creativity. The two leading schools, LFS and NFTS, urgently require capital investment to improve and expand provision and to keep up with technological change.

ROLE OF THE LONDON FILM SCHOOL: Founded in 1956, LFS is one of three graduate level training institutions recognised as such by Skillset. Its Filmmaking MA has 120 students at any one time over two years of study, around 30% of them from the UK and 60% from the EU. A specific teaching philosophy that has reaped extraordinary results in terms of graduate outcomes, especially in the last decade, is based on professional level training without early departmental specialisation. The School has craft department training from experienced full-time staff and working professionals in all the departments, and demands that students to reach a high level in all of these over five filmmaking exercises and then specialise for a graduation project taking up to one year to deliver. Although some imagine that this is a 'general' programme whose professional

consequence are is broadly trained directors, three of the most prominent UK films of 2011 (SUBMARINE, THE DISSAPEARANCE OF ALICE CREED & THE ARBOUR) were photographed by DOPs trained in this all-department degree. There are an equal number of examples of editors and producers currently working around the world, who went straight into the industry from the LFS course. The school also offers a one-year MA Screenwriting with 20 participants and a one-year MA Film Curating with 18, plus 50 CPD workshops per year and two EU funded post-graduation specialist programmes. The international student body, and their breadth of backgrounds, adds a great deal to all the school's quality.

THE STUDIO-BASED GRADUATE SCHOOLS -- LFS and NFTS: The UK is fortunate in having two mature specialist training institutions, with complementary approaches to the learning process and areas of study. While NFTS requires every student to study within his or her specialisation for two years, LFS trains every student to a high level in each area before specialisation. The two schools have a co-operation agreement, and they actively avoid overlaps and wasted resources: LFS doesn't have single degrees in Animation or Documentary competing with those at NFTS and NFTS doesn't teach Curating while LFS does. In the future, the schools intend to explore ways to share resources, although both are quite clear that in terms of number of available places and complementary teaching structures, both are necessary and that there would be no financial or cultural benefits from merger. NFTS receives grant-in-aid from DCMS. LFS, which turns over £3.7M, is also a charitable trust and is 80% funded by fees. Fee income includes Skillset bursaries, which take the annual cost of the degree down from £23,000 to £3,500 for eligible students. The school also has a number of scholarship agreements around the world.

LFS CAPITAL NEEDS: In order to survive and deliver its aims LFS must invest £10M in building and equipment over the next two to three years. A decade of restructuring has delivered more filmmakers, with a better range of skills and high achievements. This process of change could stall unless LFS can get out of its impractical and out-of-date accommodation.

Support for a new school building and digital re-equipping would allow LFS to take more MA students from the UK, to provide more new courses and better specialist training for both MA students and working freelancers, making a reality of the school's ambition to be a training and information hub for independent filmmakers in Britain focussing on good practice from around the world.

An investment of £10M capital in LFS and £12M for the NFTS Digital Village would be a major step in providing up to date facilities for the UK's industry feeder schools, broadening provision and keeping up with the digital future of film.

'FILMMAKING FOR ALL' AND THE IMPORTANCE OF FILM SCHOOL

PROVISION: Many individual film techniques can be taught on short courses and by equipment suppliers, but at the same time film schools have become more important to creativity and professionalism in film. Wider availability of affordable high definition cameras and Internet distribution options has broadened access to filmmaking. This change has had two side effects: 1) More people are able to make films at low or micro budgets, and so there is wider access to production, while at the same time the number of feature titles gaining a significant market share has hardly increased. The distinctiveness, originality and craft to actually get an audience for a low budget film is harder than ever, making conservatoire film training more of a necessity; and 2) the impact of digital on distribution platforms has been to make the sales and distribution stage of film highly complex and more dependent on knowledgeable producers, and so film schools need to address the business of selling and distributing films as well as its more traditional area, financing and making them.

CAREER PATHS AND UK 'FILM' COURSES: The university and FE sectors have numerous courses on offer involving film and TV, many excellent but very few actually vocational. It is understandable that a large number of people who do not eventually become film professionals take undergraduate programmes dealing with film and TV, after all the growing communications media of the last century. A small number of programmes, including new private suppliers of shorter immersion courses (Met, London Film Academy) act as feeders either into technically specific areas of film, such as visual effects or computer animation, and into the LFS or NFTS. Here there is a definite shortage of provision at the postgraduate level. At any one time, the LFS is training around 30 UK students in the 2-3 year filmmaking MA and 8 MA Screenwriters. NFTS has perhaps 85 UK students across all its departments. Clearer distinctions need to be made in the education system between introductory filmmaking education and vocational studies.

CONTINUOUS TRAINING: If the film industry is to thrive, it must re-train and up-skill a growing number of working freelancers in a range of new skills including digital techniques, entrepreneurial production and distribution, led by new technologies, workflows and business models.

How can Government and industry ensure that talent being developed in the UK truly represents the diverse population of the country?

Since the 1990s and the closure of British Screen and the BFI Production Board, UK feature output has either remained or become more male white metropolitan and middle class, depending on who you ask. Visible black, Asian, rural and working class independent films, and more directed by women, can spark a level of active engagement across the board that will effectively change the pattern. There's no purpose in creating elaborate diversity training programmes if the industry does not have the capacity or intention of letting these people make feature length films.

One key issue is the relative absence of black/Asian/minority independent producers, these groups being mostly disqualified from the profession by the length and expense of the self funded apprenticeship expected (referred to under Development above).

LFS BURSARIES: Skillset bursaries at LFS should be increased and more low-budget projects featuring underrepresented groups on both sides of the camera should be developed and financed. The Skillset cuts of last year halved the number of bursaries for LFS, to five a year for filmmaking and two for screenwriting. The LFS Skillset bursaries (45 over 5 years) have allowed talented students to gain training and education that would in usual circumstances have been impossible. Every year the school receive applications from enough talented candidates who could not afford the fees to justify the awarding of 15-20 UK bursaries. Previous bursary winners have gone on to considerable success. In 2010, Jonathan Entwistle won prizes with his graduation film and became a Screen International 'Star of Tomorrow' following Janice Pugh the year before, in 2009. The project has been feeding Black and Asian, working class and women directors and technicians into the UK workforce since the Skillset Screen Academy Network programme was initiated. Training a diverse filmmaking workforce is also a very appropriate priority for a school recruiting from all over the world, whose students relate to the many ethnic diasporas of London.

How can Government best support and strengthen the current UK skills strategies for film? Please explain your answer.

The involvement of film schools in Skillset's training activity, now via the Film Academies, has been an important change for the good, and contributed to mutual understanding between professionals within formal and informal training programmes. As an extension of this success, it is important that freelancers use film schools to top up their skills, where possible learning alongside full time students. This saves on overheads and breaks down traditional barriers between apprentice-trained and film school-trained workers. Bursaries at the London Film School have helped transform the school and brought much new talent

into the industry. Mentor support has also made major changes, encouraging schools to take a properly researched and active role in the development of career strategies for its graduates.

Key training facilities at LFS and NFTS are under-capitalised, as referred to above. Resolving this problem would help schools play a central role in identifying and addressing key skills gaps. In the case of LFS, this investment would also allow for a doubling of the school's turnover over a decade, building on its self-sustaining business model to further subsidise the cost of expensive full-time training.

Within the current economic climate with its emphasis on value for money and partnerships across the five key priority areas, **Developing Creative Talent** should be strengthened by a thorough analysis of where diverse talent is coming from and where it is going. There should be more investment in sharing information across agencies and working in partnership to support new and emerging talent. Potentially a specific funding scheme that encourages such partnerships should be considered, following the demise of the 7-member Skillset Screen Academy Network. The area of Continuing Professional Development should be emphasized, especially in relation to **Retraining in New Technologies**. There is a need for provision whereby training organisations can use Skillset support to buy equipment in order to realise these aims.

Audience Development, Film Education and Heritage: What do you think the role of Government should be in enabling the continuing development of film culture in the UK?

One of the big deficits of the UK film culture is that young people are often not aware of any difference between Hollywood films and local films, a problem that does not arise so much in Canada, Australia or New Zealand, where they also share a language. There are good reasons to believe that increasing local production and audiences on a major scale will dramatically raise the profile of UK film as a national cultural form, thereby generating wider public interest in the whole field.

The BFI is one of the great film culture organisations of the world, and needs to be properly supported in its fostering of academic and public understanding and enthusiasm for film. In its new form as a national body it will need to operate effectively as a partner and funder of other organisations across the country that are contributing to film culture. Given this new responsibility, the effects of continued cuts to the BFI's block grant are likely to be that it is forced to prioritise the development of its own programme and workforce to the exclusion of many potentially valuable partners and funding recipients springing

up in all sectors and regions. The net effect of such cuts, then, will be that the BFI fails to transform itself from a delivering body to an enabling one or a successful combination of the two.

The BFI should, for instance, create a fund to support the best print and web magazine publishing about film, support mini-festivals and diversity in distribution and exhibition work by other agencies, and return to the business of monograph book publishing under its own banner. It must have a great deal of flexibility in the disposition of its funds, and strong encouragement to form new partnerships and fund outsiders.

What are the barriers to attracting new and wider audiences to a much broader range of historical and contemporary film? Should funding and support be provided to address these barriers?

Barriers include: a shortage of specialist cinema provision outside London; despite Film Club's work in film appreciation, a glaring shortage of any proper provision for filmmaking in schools; deficits in film programming skills; a reduction over the decade in the number of classic and foreign language films screened on network television; smaller print/digital material libraries to support repertory programming.

MA CURATING AT LFS: One key purpose of the London Film School's MA in Film Curating is to look at the education of programmers and distributors working in all contexts as an urgent area requiring more complete understanding and the skills to invent and develop new markets.

What should the role of film education be for different audiences at different stages of their lives?

As discussed above under New Talent, it is important that school students gain an understanding of film while at school. Film Club is beginning to show them important and classic films, and the next step is to have a generation of teachers who understand and can teach the historical contexts of this work, and to add some well structured film production work in schools, allowing students to understand the whole subject and identify the stages in the process film production.

What measures, if any, would be appropriate to ensure the continued development of film knowledge and learning across all education sectors?

PGCE and B.Ed. programmes need to offer practical courses and modules around using film in the classroom. The best way to achieve quality in such new provision is to first immerse the teachers themselves in filmmaking, and to consider running teaching programmes in partnership between film schools and

universities, using film school graduates to support teaching. LFS is committed to exploring this.

Do you think there is enough available film material that speaks to people from diverse communities, and to children and young people?

Although there's been much debate about diversity since the mid-90s, some would argue that the presence of black people in UK independent film has withered away to be replaced by conferences and articles. The BFI needs to invest in training and supporting producers and encouraging risk taking and affordable work from these communities.

The Children's Film Foundation was a great initiative and had the effect of making local cinema visible to children who now, in countries outside of Scandinavia, mostly require a spend of over \$60M and Hamburger tie-ins in order to be made aware of a new theatrical film.

What should the TV broadcasters' role be in developing audiences for film culture in the UK?

More frequent screening of non-Hollywood, international, and historical film. As referred to as under 'Introductory Questions' UK broadcasters need to be regulated into investing more in local filmmaking. There is also a dire shortage of film-specific commentary within coverage of the Arts on UK television.

What role could emerging and social media play in developing further opportunities for learning and audience development?

LFS EXPERIENCE: The London Film School has a very heavily used website and plans to develop it into an information hub for independent filmmakers and enthusiastic audiences. Its filmmaker Q&A sessions are available as podcasts. There are some specific areas in which distance learning is appropriate to filmmaking and distribution training and the school plans to explore those in various partnerships.

What interventions (e.g. public/ private partnerships) are needed to make the UK's film heritage more easily accessible by the widest audiences?

The introduction of the National Film Archive space at BFI Southbank is an important beginning to this process and needs to be supported as an expanding service across the country, possibly marketed via school/community/local cinema screenings of NFA restorations.

Do you think Film should be included in the National Curriculum?

The introduction of Film into the National Curriculum within the English and Art departments should be considered, but the impact of introducing it without proper teacher training provision, as a 'soft' and badly taught subject, would be entirely negative.

Innovation and future proofing: What in your view are the main obstacles to change in the British film industry?

- Lack of the necessary level of public investment to effect structural change;
- Lack of provision and up-to-date resources for professional training and education;
- Lack of production investment by broadcasters;
- US Majors' dominance of the local distribution market;
- Official and industrial scepticism about the value of cinema as art or culture;
- Risk-averse commissioning and financing;
- Metro-centric distribution of production resources and cinemas;
- Public and official misunderstanding of the profit potential of a national industry with a small home market;
- High cost of UK professional low budget films.

What, if any, changes are needed in workforce skills to support future growth and innovation in the British film industry?

The UK workforce needs to take continuous training very seriously, as workflows between production and postproduction stages of film are transformed by digital systems and as financing and distribution patterns change. In general, the film workforce will benefit from having a better picture of the whole process in which they are employed, and having a more flexible attitude towards the adoption of new specialist skills. This points to better CPD provision inside and outside film schools, properly accredited, and increasing partnership with broadcaster employers and craft guilds to deliver it.

Which opportunities do you see arising for the British film industry from increasingly convergent digital devices, applications and content?

Local producers and distributors will take a larger share of all revenue streams as distribution systems and devices converge, making filmmaking a more profitable and attractive sector.

Finance: What are the barriers to investment in the creative content industries, and in particular film, in the UK? What could we do to address these?

There are at present no automatic advantages associated with the official status of a British film which allow better access to distribution, P&A support etc., although such a system of benefits is normal in a number of markets and might encourage private investors into British film.

Eurimages membership would bring a range of European productions wishing to work in the English language into the UK's independent production area, encouraging private investment alongside European counterparts.

How might Government incentivise the private sector to invest more in the British film industry?

By fiscally encouraging BIS and tax funds to invest in slates of films, cross-collateralised together.

How can and Government and industry ensure that UK filmmakers benefit from the success of their films?

- By establishing early and continuous standard recoupment corridors, with investment dividends, for producers and distributors, and by retaining some return on UK public equity invested and returning it to the producer to support development of a future film;
- By ensuring minimum TV licensing/acquisition fees and effective windows for UK films;
- By investing Lottery funds and returns in conditionally repayable P&A funding to ensure wider releases;
- By regulating and investing to encourage growth in the independent exhibition sector.

How do you think recouped funds from public investment might best be re-invested for the benefit of UK film?

As above: in development and production investment pots tied to producers, in P&A loans and new cinema building/refurbishment. Also contributions to the training levy and capital/equipment funding for training.

Is there a need to simplify the process for public funding of British films? Please explain your answer.

British Films need to be re-defined for tax and statistical purposes. At present producers of lower budget films (under £4M) spend too much time on the deal and sometimes too little on the film itself as a result of complex financing structures. Simpler rules and better regulation of investment from key sources (broadcaster licenses, broadcaster equity, public and private equity) would

allow such films to be financed faster and more simply, which might make for better films. Joining Eurimages would simplify the complex co-production/pre-sale arrangements currently needed to secure European co-finance.

UK Film in the Nations and Regions: Do you think current Government policy in relation to film throughout the Nations, and Regions outside London, could be strengthened?

Yes. Rather than only incentivising producers to film in their region, local funding bodies should ensure that professional level production facilities for independent low budget work are generally available, develop new talent by financing scripts and short films, and award graduate film school scholarships to local talent. The London Film School recruits much more heavily from London than from Regions and Nations, partly because without a Skillset bursary the cost of two years training and six films is nearly £50,000 – a very hard figure for many to raise. In order to do all of this, such regional bodies should be allowed to increase their film budgets based on such comprehensive policies.

The example of Shane Meadows, who partly owes his career to a modest equipment cupboard in a Nottingham media centre, should show that a regional production business would be built on supporting the early steps of local filmmakers, enabling as much original work as possible.

THE LONDON FILM SCHOOL

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