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**The Rise or Fall of the British  
Film Industry? A Critical  
Overview of UK Film Making in  
the 1990s**

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MC02/2: The Rise or Fall of the British Film Industry? A Critical Overview of UK Film Making in the 1990s

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**The Rise or Fall of the British Film Industry?**  
**A Critical Overview of UK Film Making in the 1990s**

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**Abstract:** This study attempts a political economic overview of the British film industry, focusing on the key areas of production, distribution and exhibition. The study will be largely political economic in nature by way of redressing an overemphasis on the cultural side of film-making by both academics and the industry - an overemphasis which has led to a failure to address structural weaknesses within the industry as a whole. In demonstrating such weaknesses reference will be made to the vertically-integrated US film industry and its dominance of domestic UK film-making. The study will also examine recent initiatives aimed at boosting the British film industry in the light of the aforementioned overview. The investigation concludes that attempts to replicate Hollywood-type structures in the UK are neither desirable nor possible, and a more realistic approach – marrying both cultural and economic considerations - must be adopted if a commercially viable and autonomous British film industry is to be achieved.

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## **The Rise or Fall of the British Film Industry?** **A Critical Overview of UK Film Making in the 1990s**

### **Introduction**

During the 1990s, the British film industry apparently reached a high not seen since the 'Golden Age' of film production in the 1950s and 1960s: "The underlying growth of the film and television markets is strong, consumer spending continues to increase and the commercial environment is better than for many years" (Dyja (ed), BFI, 1996:18). Since the international success of Four Weddings and a Funeral in 1994, UK-related films have consistently gained ground in the commercial sector of the film market, whilst rarely compromising in terms of production quality. The future, it seems, couldn't be brighter for the British film industry: "British films last year nearly doubled their share of UK box-office takings, securing 23 per cent of all cinema revenues after several years of hovering around the 12 per cent mark" (Screen Finance, 11:2:9) and public interest in film has rarely been greater – as the continued spread of the multiplex empire demonstrates.

However, whilst the above points are to be lauded, I have reservations over this apparent renaissance, for I believe that an overemphasis on the *cultural* side of film production is deflecting attention (and resources) away from fundamental structural and *economic* problems currently besetting British films. This study proposes a critical overview of the present state of the British film industry, by looking beyond the high profile area of film texts to the economic activities such as distribution, exhibition and development which underpin the film industry. Whilst researching this study, it has become apparent that whilst much literature and research exists concerning the *cultural* nature of film productions, there is a distinct paucity of attempts to address the industrial *economic* side of film-making – a fact that perhaps indicates a wider disjuncture between cultural and economic approaches in mass communications theory as a whole. This cultural emphasis has led to a failure to identify – and thus to address – the underlying economic structural weaknesses of the industry: a failure which applies not only to academic appraisals but to Government and industrial initiatives aimed at boosting the industry.

In this study, whilst acknowledging the important cultural element of film-making, I shall be attempting to *combine* this with a political economic overview of the British film industry as a means of demonstrating how cultural and economic issues impact upon each other. As such, my approach will take on aspects of a more classical ‘political economy’ notion of culture, which “argues that the concentration on the cultural and ideological aspects has been wildly overdone” (Hall, 1995:346) whilst falling short of the base/superstructure notion that “insists that the economic processes and structures of cultural production are more significant than their cultural-ideological aspect” (ibid). Despite this symbiotic relationship, my aim is to redress the aforementioned imbalance of approach and so I shall largely concentrate on a political economic overview of the industry; focusing especially on issues of vertical integration, horizontal concentration, globalisation, corporate ownership and – more specifically – film production, distribution and exhibition.

Due to limitations of time and space inevitably imposed upon this project, there are pertinent areas which cannot be given full attention here. Notably, the impact of video/DVD and satellite/digital movie channels upon the national and international film industries would merit a project alone. I shall refer to these areas where relevant, although for the most part – given that the character of the two media often coincide<sup>1</sup> I shall concentrate upon cinema.

## **1. What is a British Film?**

This seemingly simple question is fundamental to this investigation, for to assess the success or otherwise of current British films one must determine whether they are actually British. The parameters used to determine British films have been extensively debated, although it is widely acknowledged that funding is a major criterion: after all, if a UK-based film using UK personnel is underwritten by a US-based corporation then any profits are inevitably going to go overseas rather than back into the British film industry.

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<sup>1</sup> “The concentration of ownership is similar to the film industry: the main video retailers are American and in 1993 the video rental top twenty consisted entirely of American films” (Street, 1997:23)

A cultural element must also be considered however, for any national cinema must to some degree be about reflections and portrayals of national life, rather than merely representing an investment opportunity. One must therefore, consider whether overseas funding can affect national representations within films.

It is apparent that any definition of a British film must be made in the context of US dominance of the global film industry, and historical precedents bear this out. Back in the 1920s Prime Minister Stanley Baldwin expressed concern over potential American domination of British cultural media, leading to the establishment of a quota system requiring a British film definition<sup>2</sup>. This led to the 1927 Cinematograph Films Act which decreed that British films must meet the following criteria:

- The film must be made by a British company or subject;
- All studio scenes must be shot in British empire studios;
- 75% of labour costs must go to British subjects (excluding one foreign actor or producer);
- the author of the film must be British.

(Dickinson & Street, 1985:5-6)

Interestingly, with a few fluctuations, this definition remained largely unaltered until the 1985 Films Act, which ended the quota system. This Act reflected the free market ideology of the Conservative government that implemented it, being largely economic in nature - aimed at defining a British film for tax relief purposes, and at “encouraging an economic activity that should be essentially orientated towards the market” (Government White Paper, quoted in Puttnam, 1997:312).

Recently, the Department for Culture, Media and Sport initiated a Film Policy Review Group with a specific remit to capitalise on recent film successes. This report largely retains the 1985 Film Act definition, with a few changes aimed at clarifying certain criteria. However, one

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<sup>2</sup> At this time Hollywood dominance was so great that British films represented only 5% of British box office showings (Cooke, 1996:150). It is worth noting that as recently as 1995 truly British films only represented 4.2% of UK box office takings (Dyja (ed), BFI, 1997:39).

crucial element of the Report is the separation of a British film definition into *cultural* and *economic* factors.

Which of these two factors the Review Group finds most pertinent is clear: “taking cultural considerations into account in the Films Act criteria would detract from the primary objective of the tax definition” (DCMS, 1998:22). A cultural definition is seen as separate, being more a means to “help the industry target its marketing and PR activities” (DCMS, 1998:23). Whilst acknowledging the importance of boosting the film industry financially, as well as the validity of considering economic and cultural factors separately, I believe that the two areas have a significant overlap. The Review Group focus on the benefits of UK technical facilities in attracting inward investment into the British film industry; yet one should not underestimate the degree to which certain notions of ‘Britishness’ (albeit artificially constructed ones) represent marketable aspects in themselves. It is not just technical expertise and studio facilities that attract overseas film interests – nationally specific locations and cultural representations also have generic currency in the film world at present.

The political economic definition of a British film will be discussed further in the following pages. However, the cultural aspect of British films bears further investigation here – after all, most cinema-goers do not identify a film’s Britishness through its funding sources or distribution arrangements, but through its culturally specific narratives, actors, *mise-en-scène* etc.

Any cultural consideration of what constitutes a British film must look not only at how British culture is represented in the cinema, but at who is representing it: for the context of production inevitably impacts upon cultural representations in film. Given the dominance of US interests in production, this must be of concern in terms of national identity (paralleling the wider national identity concerns of many Third World countries regarding media and cultural imperialism from the West).

The British Film Institute's broad definitions of UK films will be useful in this study: being not so specific as to restrict the flow of discussion, whilst incorporating both *economic* and *cultural* indicators:

- Majority UK Productions. Where “the cultural and financial impetus is from the UK and the majority of personnel is British”;
- Majority UK Co-Productions. Where “although there are foreign partners there is a UK cultural content and a significant amount of British finance and personnel”;
- Minority UK Co-Productions. “Foreign (non-US) films in which there is a small UK involvement in finance or personnel”;
- “American films with UK creative and/or part financial involvement”.

(Dyja (ed) BFI, 1997:24)

This is important for, as shall be demonstrated, in addition to economic matters directly impacting upon cultural representation the converse applies: cultural representations can and do have major economic ramifications.

Given the extent of US involvement in the British film industry, one could ask whether in certain instances, the recent boom in ‘British’ cinema is more a case of ‘Britishness’ being packaged as a genre by overseas interests (as well as heritage drama, Four Weddings and a Funeral certainly played on a particularly artificial construction of upper-middle class English society) than an indication of a renaissance of British culture expressed through film. Whilst such films as The Full Monty and Brassed Off are to be lauded for dealing with serious social issues (here, mass unemployment in former industrialised northern cities), they represent a watering down of social issues dealt with more directly - and less commercially - by the left-wing inheritors of the British realist cinema tradition. In these films, unemployment provides a specific working-class *mise-en-scène* and dramatic device (in the former film, unemployment necessitates the forming of a male strip-troupe, in the latter the closure of a coal-mine threatens a colliery band performance). The issues are not the central focus here however, and once the narrative impetus has been provided they are largely backgrounded: both films end with an upbeat internal resolution of sorts (the ‘full monty’ at the strip show,

and the colliery band performance at the Royal Albert Hall) without the problems of unemployment ever being fully addressed or resolved. In both cases serious social and cultural commentary is subordinated to the commercial demands of mainstream comedy.

Approaches to similar issues by the likes of Ken Loach (Kes, Raining Stones), Alan Clarke (Scum, Made in Britain) and Mike Leigh (Meantime, High Hopes)<sup>3</sup> would simply not gain the backing of mainstream US producers and distributors - and thus exhibitors - whose motives are purely market-driven (they “regard the UK as a market and nothing more” (Dyja (ed) BFI, 1996:18)). Thus when socially specific British films do gain the backing of US transnationals, there is a real danger that cultural relevance will be sacrificed to global commercial demands.

Regarding points made above about ‘Britishness’ as a genre, this is particularly worrying given the relatively short life-span of genres that Hollywood is prepared to bankroll (psychological thrillers, science fiction and disaster movies have all had their seasons this decade). If Britishness is seen as a genre by Hollywood and if that generic worth expires, will the British film industry really have benefited from the interest of an overseas industry which has reaped most of the financial rewards for itself?

Historical precedents exist for this scenario. Cooke points out that the upsurge in British film production in the 1960s was financially underwritten by Hollywood: “American money had already gone into the production of some of the ‘new wave’ films and United Artists was quick to realise the international potential of the Bond films. Their lead was soon followed by the other Hollywood companies who set up London offices in 1963-64 to cash in on the revival, in time to capitalise on the ‘swinging London’ boom of the mid sixties” (Cooke, 1997:164). However, whilst boosting production in the short term, once the British cultural boom began to wane towards the end of the sixties, American investors withdrew funds. “Deserted by Hollywood, British film production slumped, demonstrating the extent to which the boom in British cinema in the sixties was, once again, dependant on Hollywood” (ibid).

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<sup>3</sup> “The price of Leigh’s artistic integrity – there’s no way round this statement – has been high. Like one of his heroes, the film director Robert Altman, he has never sought Hollywood’s approval, so he has never minded not going there. He works on his own terms, and no one else’s” (Coveney, 1997:8).

This demonstrates that the concept of Britishness in films is not merely some ephemeral notion, which distracts one from the 'hard facts' of the economics of production and distribution. Indeed, the 'Britishness' of the films considered constitutes a major element of their generic marketability and current economic success. Nevertheless, as relating back to the 1960s demonstrates, the fact that their marketability is largely based on this generic notion means that such success is subject to the fluctuating fortunes of consumer taste. Once generic interest moves elsewhere, much of the financial impetus currently enjoyed by UK-related films will move with it.

It is for this reason that initiatives to develop a self-sustaining British film industry independent from US influence are so important. The challenge is to use this current boom to create a more sustained industry, and initiatives are being implemented with this goal in mind. Before assessing these, one must consider the British film industry as it stands today.

## 2. Production

In discussing the British film industry one must distinguish between films produced by the UK and films produced in the UK by overseas film-makers. Whilst I shall focus mainly on the former category, the latter aspect has a significant impact upon the financial health of the UK film industry and thus UK productions whilst also representing a threat to the autonomy of the UK industry.

The extent of overseas influence (and the paucity of domestic investment) in UK film-making is apparent in recent figures. In 1995, for example, of a total investment in UK film production of £402 million, £237 million was accounted for by American producers, using some UK creative input (Spectrum, 1996:6)<sup>4</sup>.

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<sup>4</sup> Of the remaining investment, only £64 million was accounted for by majority UK productions with the remaining £101 million investment involving US or European co-productions (Spectrum, 1996:6).

## 2.1. The UK As A Production Base

Whilst this is not necessarily good news regarding the production of UK films, success can be identified in the provision of technical facilities and production bases for overseas productions: “our studios are full to bursting. Both Pinewood and Shepperton would dearly like to add new stages and workshop spaces. The new Bond film has had some difficulty finding appropriate space, while the UK’s newest studio, Leavesden, plays host to Mortal Kombat 2 and then to a Star Wars trilogy” (Dyja (ed) BFI, 1996:20). The Review Group acknowledges this positive aspect: “Even if our plans to boost the domestic market have the major impact that we intend, receipts from overseas, in the form of export earnings and inward investment, will still be of crucial importance in the UK film economy. We need to build on our strengths in these areas by creating an environment that is attractive to foreign investors and supportive of British exporters” (DCMS, 1998:42). Further to this, they suggest encouraging foreign productions’ use of UK facilities by scrapping the £15 million budget ceiling above which such films cannot qualify for the 100% first year tax write-off (Screen Finance, 11:4).

Success here, however, may prove a double-edged sword: given the fragmented nature of the British film industry – whereby production companies, distribution companies, and production facilities are invariably owned by separate interests – it is unclear as to how the profits from overseas use of UK technical facilities will filter down to UK production companies. Furthermore, reliance on overseas companies’ use of the UK as a production base should be tempered by the fact that this can “vary from year to year, particularly depending on the exchange rate” (Spectrum, 1996:6)<sup>5</sup>.

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<sup>5</sup> For instance, in early 1998 only one US blockbuster, Entrapment, was confirmed to shoot in the UK, at Pinewood (Screen Finance, 10:21) and the producers of the Star Wars prequels may switch to sound stages in Australia rather than use Leavesden (Screen Finance, 11:2).

## 2.2. The UK As A Film Producer

### 2.2.1. Fragmentation of the Industry

Leaving aside the UK film industry as a provider of film-making facilities, what of the UK film industry as a maker of movies? The key problem here is fragmentation. The UK film industry differs from its US counterpart in being *production-led and fragmented*, whereas the US industry is *distribution-led and integrated*. This represents a fundamental structural weakness, which lies at the root of the industry's current problems. The industry is fragmented in two key areas:

- 1) production companies are not vertically integrated and are thus disenfranchised from distribution companies, whereas in the US major studios incorporate the production, distribution and exhibition of films. This means that the less risky and more immediate profits to be gained from film distribution are not available to UK producers, leading to a lack of reinvestment in a sustainable studio system.
- 2) Producers cannot consistently release films. "Typically, companies are established to develop, finance and produce a single film, then start again from scratch on their next project" (DCMS, 1998:14). This is as a result of the aforementioned under-investment caused by a lack of vertical integration "[film-makers] have to pre-sell the rights to their films in order to get financing and distribution for them. As a result they do not benefit fully from their successes and cannot build up a library of rights" (DCMS, 1998:14).

The chart below shows how "Only nine of the UK's film production companies produced or majority-coproduced more than three films between 1991 and 1997...The figures show that the UK production sector is still dominated by a large number of small companies with a very low production capacity" (Screen Finance, 11:12:9).

**Figure 1: The UK's top production companies 1991 - 1997**

| <b>Production company</b>    | <b>Number of films produced '91 – '97</b> | <b>Total budget of films (£m)</b> |
|------------------------------|---|-----------------------------------|
| Working Title Films          | 23  | 198.70                            |
| Parallax Pictures            | 10  | 18.80                             |
| Merchant Ivory Productions   | 8   | 47.43                             |
| Zenith Productions           | 7   | 17.43                             |
| Palace/Scala Productions     | 7   | 39.27                             |
| Metrodome                    | 6   | 11.65                             |
| The Recorded Picture Company | 5   | 51.70                             |
| Renaissance Films            | 4   | 19.71                             |
| Initial Films                | 4   | 23.39                             |
| Overall Total                | 80  | 428.08                            |

*(Screen Finance, 11:12:9)*

### **2.2.2. Fragmentation of Output**

The consequences for the British film industry, in both the short and long term, are serious. One major consequence is a scarcity of outside investment sources resulting from lack of confidence in the industry. As a Government report stated:

there is an absence of significant investment in film companies and productions by general investors, private individuals and corporations which are not engaged in producing or distributing films. This is because film production is generally regarded as an industry where the risks are high and returns are volatile and unpredictable. The absence of vertically integrated structures linking production to distribution and exhibition and the fact that most UK production companies are single film companies

means that the profits from successful films are not, on the whole, available to cushion the losses suffered by investors in unsuccessful films

*(Department of National Heritage, June 1995)*

Equally serious is a resultant lack of coherence in the generic content of UK films. Hollywood has long been aware of the marketable value of genre in attracting audiences: “Genre is one of the determinants of the audience’s choice of film, not only in terms of whether they possess the competencies to appreciate that genre, but in term of what kind of film it is they want to see” (Turner, 1988, p88). Whilst it would be problematic for UK films to be pigeon-holed into a particular genre (such as heritage dramas), industry fragmentation has led to “an incoherent jumble of widely diverse projects which...[have] tended towards low-budget arthouse and exploitation movies. It has also lacked continuity” (Dyja (ed), BFI, 1996, pp23-25). This creates a vicious circle of under-investment:

Whilst the BFI advocate the widening out of UK film genres to include “not only literary adaptations and period pieces but contemporary comedies and big budget, effects-laden action movies” (Dyja (ed), BFI, 1996:25), this would require resources that are not currently available; although one could argue that production funds allocated through Lottery loans should be aimed at more specifically commercial productions.

***industry fragmentation =***

***lack of generic coherence =***

***lack of audience interest =***

***lack of box-office revenue =***

***lack of resources for reinvestment in sustained production companies =  
further industry fragmentation.***

### 2.3. Economies of Scale: A US/UK Comparison

So why has Britain failed to capitalise on its own resources in the way that the US has? The key issue here is economies of scale. Basically the big seven US film-making interests - Warner Brothers, Universal, Paramount, Columbia, Disney, Fox and MGM - are able to use the revenues from their huge domestic market (worth £7.2 billion in 1996, with a further £5.4 billion from overseas) to maintain distribution and exhibition rights, as well as acquiring the rights to others' movies. Profits from these allow studios not only to absorb the cost of box office failures (which can sink a small independent UK venture), but also to produce films in large quantities, with large production budgets and with significant funds for marketing and development. This results in well-produced films with global mass-market appeal, creating a virtuous circle of investment:

*lucrative home market profits =*  
*integrated production =*  
*ownership of distribution rights =*  
*greater profits at less risk =*  
*more money for marketing and development =*  
*more box office successes =*  
*even more home market profits.*

Thus the difference between the two industries becomes clear, especially considering that, in 1996, the average US film production budget was £23.4million compared to the UK's £3 million (Screen Finance, 11:1). "Hollywood spends at least £300 million on scripts with 20 in development for every film produced. Top script writers now receive a minimum of \$1 million per script" (Spectrum, 1996:20). Given such astronomical figures, it is easy to see why the UK film production is viewed as a 'cottage industry' in comparison. An example of this is apparent in the recent establishment of a Producer's Centre in Glasgow. This Centre, housing the six main Scottish film production companies, is based in an abandoned High School and was chosen for its cheap rents: "A problem for all producers, especially young producers like myself, is the cost of having a proper office base rather than the spare room at

home” (quote from Eric Couter, producer of \$5 million Glasgow-based film Post Mortem (1997) in Screen Finance, 11:4). The contrast with Hollywood could hardly be more obvious, and puts into perspective initiatives such as the allocation of £1 million per year of Lottery money for film development (Screen Finance, 11:4).

#### **2.4. The Role of Television**

Given this fragmentation, where can the focus of the British film industry be found? The answer at present would seem to lie with television. Whilst often being vilified for killing off cinema since its inception in the 1950s, it is ironic that television now forms the mainstay of British cinema - indeed, during the lean years of film production in the 1980s Channel Four represented the only consistent investor in low-medium budget feature films. Whilst representing the flip-side of ‘heritage dramas’, Channel Four’s “alternative remit to encourage experiment and innovation and to cater for minority audiences” (Cooke, 1997:165), has not always been conducive to developing a commercially successful indigenous industry. At its best, Channel Four fulfilled its remit by producing films, which both reflect the multicultural national identity of modern British society and gain reasonable box-office success (such as My Beautiful Laundrette (1985), Naked (1993) and Secrets & Lies (1995)). However, one could argue that such innovation has contributed towards the popular perception of UK films as being depressing and/or elitist and pretentious – especially amongst C1C2 cinema-goers, whose “view is that such films are not entertaining and probably intended for, and only likely to be enjoyed by, non-mainstream film-goers” (SRU, 1998:56).

Despite such problems, television is crucial to the British film industry. The BBC, ITV and Channel Four provide half of all funding for British films and “in 1995, 37 of the 60 British films and UK co-productions were part-funded by the broadcasters” (Spectrum, 1996:28). Whilst the importance of such support must be recognised – especially ITV’s recent commitment to invest £100 million in British films (Dyja (ed), BFI, 1997:21) – this situation is not ideal. The Spectrum report quotes one producer stating that “UK broadcasters have very particular taste – it is eclectic and intellectual. As a result it is actually harder to make more

commercial pictures in the UK” (Spectrum, 1996:28). The report also details industry fears that producers of TV films tend to place less emphasis on winning a theatrical release, for this can cause problems where broadcasters retain TV rights. This makes it hard to sell cinema rights to third party distributors who prefer to attain both TV and cinema rights as part of the same package. However, the report concludes by accepting that “Television has also provided one of the few vehicles for releasing truly British ideas and culture. The net effect is that broadcasters have clearly allowed more films to be made than would otherwise be the case” (ibid).

Encouragingly, Channel Four plans to relaunch its film wing in the summer of 1998 as a separate commercial and vertically-integrated entity. The new head of films, Paul Webster “wants Channel Four to be more aggressive in going after projects and more commercial about the films it backs (Screen Finance, 11:4), spending its annual £28 million budget on fewer, bigger projects and aiming to encourage third-party investment (Screen Finance, 11:1). BBC Films has shown a similar interest in developing third party investment (Screen Finance, 11:1), as well as a commitment to bigger budget productions (until recently the Film Unit has operated on an annual budget of £5 million). Talking of the £15 million Mary Queen of Scots, head of BBC Films David Thompson stated that “Traditionally our policy has involved low budget films...now we will start investing in large budget and more ambitious forms. My view is that there will be a glut of low-budget films in the UK and we need to take on some larger scale films” - however, “the BBC is in discussion with American partners to finance the film” (The Guardian, 19/5/1998).

In addition to the above, much British investment in film production is generated through grants and subsidies from Government and commercial schemes; such as British Screen, MEDIA, The Arts Councils, the British Film Institute etc. “Of the 44 films that went into production in the first six months of this year, 15 received some form of subsidy money” (Screen Finance, 11:13:9). I shall discuss this, along with the issue of encouraging City investment in films, more fully in Part 5.

### **3. Distribution**

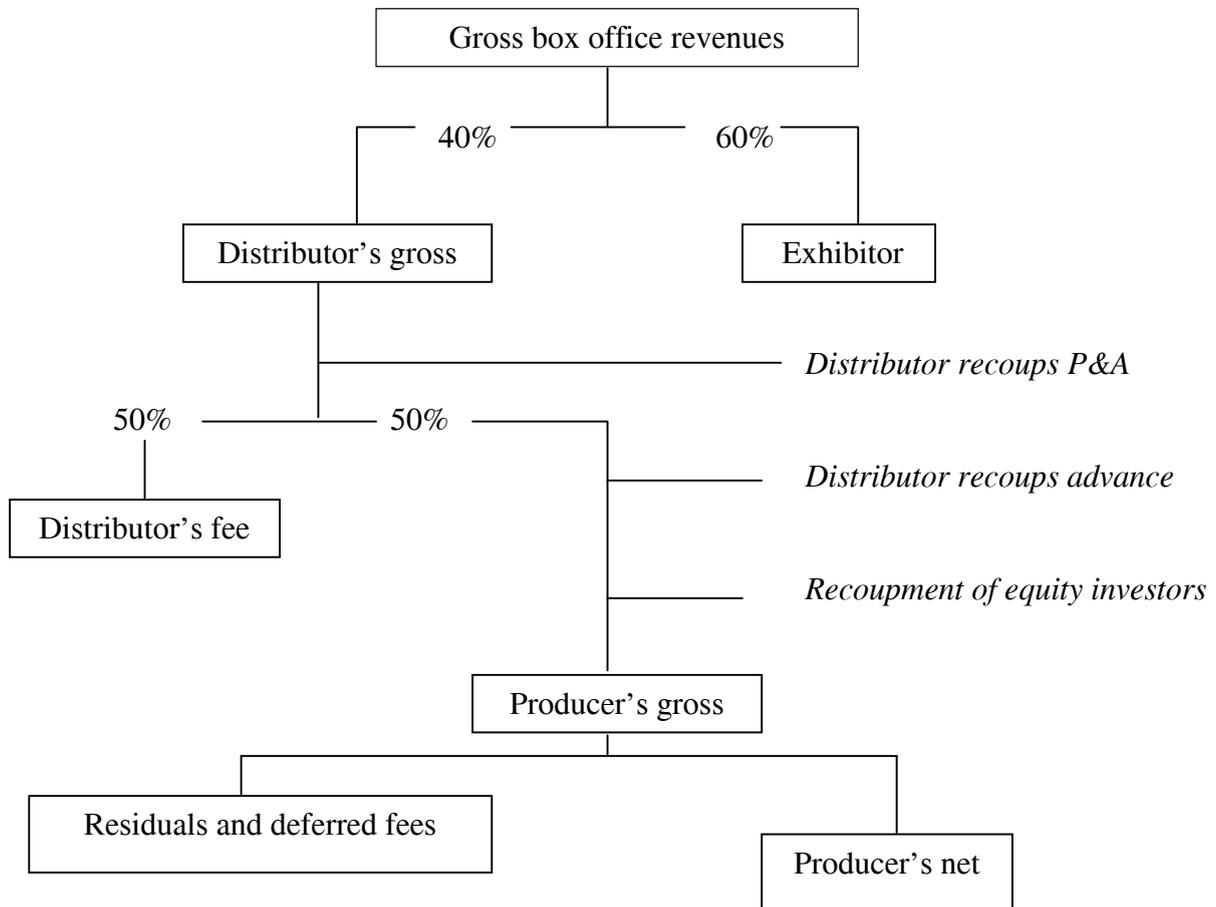
Distribution is crucial in assessing the state of the British film industry and in identifying possible improvements. Unfortunately, this area is often ignored, with the emphasis being placed on production. As already stated, even if a film is totally produced by a UK company the bulk of profits generated by that film's success will only go back into the company if the distribution rights have been retained. "Very little of the UK's £1.6bn consumer expenditure on films, videos and pay TV movies, filters down to British film makers. UK film makers simply do not have access to or ownership in the more profitable integrated customer distribution part of the business" (Spectrum, 1996:26). The reasons for this are as follows.

#### **3.1. How Distribution Works**

Essentially, distributors act as the intermediaries between film producers, exhibition outlets and the audience. Distributors operate by buying prints from producers and leasing them to exhibitors, with rental fees being determined by production costs and subsequent box office success. As such, distributors wield enormous power in the industry, for without them producers have nowhere to show their films and exhibitors would have no films to show. This influence is reflected in the significant fees that many distributors charge, and it is hardly surprising that major Hollywood studios lost no time in integrating them into their industrial structures.

The fees commanded by distributors are also collected in advance of, and regardless of, a film's performance at the box office. As such profits and investments here are much less risky than for the producers of a film. Furthermore, whilst distributors spend significant amounts upon prints and advertising, this is generally deducted from the producer's share of any net profits. The chart on the following page demonstrates this process:

**Figure 2: Dispersal of Profits From a Cinema Release**



*Spectrum, 1996:33*

This demonstrates that any film industry which does not have a viable distribution system will never be able to create revenue for reinvestment in production of films, for the profits generated from producers alone are simply too small and risky. Furthermore, such an industry will be open to exploitation and domination by the major US film corporations to whom independent producers have to sell their films' distribution rights in order to recoup production costs. Once these rights are sold - as the above chart demonstrates - the bulk of profits from film successes goes to US distributor/exhibitors and not to the UK producer.

### 3.2. An Integrated Distribution Structure: The US Model

It is worthwhile looking at how the integrated Hollywood model of film-making operates, for if the UK system is ever to gain any autonomy and economic viability then an integrated system must be established.

I have already discussed US exploitation of economies of scale within its domestic market, to create a dynamic virtuous circle of reinvestment. The process of this reinvestment is interesting: in integrated companies, the profits generated by distribution are reinvested into the less profitable production of films (“The most important profit centre for a [US] studio is its distribution activities, while all its costs are focused on production” (Spectrum, 1996:23)). This is a symbiotic process, for without production of films, there would be no source of profit from distribution and exhibition. In addition to this, such reinvestment means that US studios are “likely to own the film’s intellectual property rights which allow them to build up a library of past successes which they can exploit through all possible media to fund their future projects” (DCMS,1998:13).

This means that US film-makers are able to muster far greater financial input for their film productions than the productions alone would merit. The distribution wing of an integrated company effectively takes the place of an interested third party investor. Put more simply, an integrated structure marries the *cultural* process of making a film with the *economic* process of distributing and marketing (and thus making money from) that film. Whilst one might argue that such a process puts inevitable market-based compromises upon film content, this is not necessarily the case: commercial successes in the US allow a significant degree of experimentation and less-mainstream production there: “In the dominant US market there are two large, well developed revenue streams represented by mass market and ‘arthouse’ films.” (Spectrum, 1996:17).

Unfortunately a ‘cultural snobbery’ exists in the UK, whereby financial concerns are commonly held to be incompatible with cultural integrity. This has largely contributed to the current situation in which many UK films are unable to gain release through lack of

investment in domestic distribution. This attitude is detectable in the Arts Council of England's recent report on distribution: "The low level of investment in distribution does not alone provide the Arts Council with a legitimate rationale for intervening in what is, essentially, a commercial activity" (Arts Council of England, 1998:5) – a view which demonstrates the flip side of the Government's line, which prioritises economic over cultural factors. Such a polarisation, whilst damaging any hopes of a unified response to the UK film industry's plight, also reflects the wider divisions within the industry, whereby the *cultural* process of *production* is separated from the *economic* process of *distribution*<sup>6</sup>.

This situation has provided the integrated US majors with an industry wide open to exploitation. Distribution in the UK, of both US imports and UK productions, is dominated by the big five US corporations: UIP, Warner, Buena Vista, Columbia and Fox. Their total box office share in 1995 totalled £301,368,355 from 123 titles<sup>7</sup>, whilst the total revenue of all the 26 independent distributors put together reached only £83, 374,001 from 161 titles (Dyja (ed), BFI, 1997:40).

### 3.3. An Independent Distribution Structure: The UK Model

In the UK there are no vertically integrated companies on the scale of the American majors, although Channel Four combines distribution with production activity, and is the UK organisation most closely resembling a small studio in that it:

- Finances development and scripts (to the tune of around £1m per year).
- Pre-finances, invests and actively seeks funding from other financial partners.
- Acts as an international agent, having set up Film Four Distributors with the aim of releasing 20 films a year.

(Spectrum, 1996:29)

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<sup>6</sup> This attitude has worrying repercussions for film production as well as distribution: Culture Secretary Chris Smith apparently has "question marks in his head" as to whether the British Film Institute should be involved in film production, given that its remit focuses on education and culture (Screen Finance, 11:12:5).

Generally however, the focus in the UK is much more on film production - the weaknesses of which have been discussed in Part 2. As well as the fragmentation of production companies, film producers “have no on-going relationship with a distributor; they cannot easily raise finance or reduce risk by developing a slate of films; and they have to pre-sell the rights to their films in order to get financing and distribution for them” (ibid). However, there are a number of UK-based independent distributors operating in this market, which can be broadly separated into two areas:

- 1) smaller independent UK distributors (e.g.: Artificial Eye, BFI, Film Four Distributors, Electric, Metro Tartan);
- 2) larger independent UK-based distributors (Entertainment, Guild/Pathé, PolyGram, Rank)<sup>8</sup>.

*(Arts Council of England, 1998:3)*

The larger distributors have done quite well out of recent British-based film successes. Whilst releasing fewer films than their smaller counterparts, they are able to acquire rights to more commercially viable films and thus take a higher market share. Smaller distributors however, have not fared so well in recent years, losing significant market share to the larger companies.

This polarisation is worrying, as it represents a further fragmentation of the industry. Whilst many British films would receive no release at all were it not for the smaller distributors, larger distribution companies are gaining the bulk of revenues from British successes. This means that, in relation to smaller UK distribution companies, larger successful UK-based multinational distributors are providing competition and domination of a similar nature to their US counterparts (the total market share of the ‘big five’ US majors combined with PolyGram and Entertainment is 93% (DCMS,1998:12). Such domination means that any

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<sup>7</sup> Furthermore, in 1997 they shared 78% of the total UK box office, including revenues from British films (DCMS,1998:12).

<sup>8</sup> Given today’s fast moving global economy, pinning down the exact national ownership of such companies is extremely complex. As an example: the UK-based PolyGram is owned by Dutch electronics firm Philips, but is currently undergoing a buyout by Canadian drinks and entertainment group Seagram for \$10.6 billion. However, Seagram have already offered PolyGram’s Filmed Entertainment arm up for sale at \$1 billion and a European

commercially successful films are attained by larger companies, before small UK distributors have a chance to acquire them – often meaning that such companies have to look to distribute small overseas productions<sup>9</sup>.

### 3.4. Ignorance of Distribution Issues

It should be apparent distribution is at least as – if not more – important as production: whilst UK produced films with US distributors may contribute to British film culture, they do not advance the culture of the British film industry. It is notable however, that those with a vested interest in playing up the notion of a revived British film industry tend to concentrate on the volume of British films *produced*. The Culture Secretary Chris Smith for instance talks of how, having

set the [Film Policy Review] group the specific goal of identifying ways of doubling the box-office takings of British films...Thanks to movies such as The Full Monty, Bean, The Borrowers, Mrs Brown, Shooting Fish and Wilde we did exactly that last year, so that a quarter of box office receipts, £117 million, is now accounted for by a British production.

(Chris Smith writing in The Express, 22/3/98)

In real terms however, this is simply not true. The Review Group did not publish its recommendations until March 1998 and so can hardly claim the credit for last year's successes. More important however, is the way in which this emphasis on production distorts the true picture:

fully 40.1% of all the revenue generated by UK-producer films was accounted for by Bodger Films' The Full Monty, which was distributed by Twentieth Century Fox... The

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consortium including the French Canal Plus media group and the UK's Carlton Communications have recently shown interest (Screen Finance, 11:10:19).

<sup>9</sup> Recent examples of this include Azureglade's distribution of Stikkfri (Count Me Out), an Icelandic/German/Norwegian/Danish co-production; Downtown's distribution of Out of the Present (Germany); Gala's Marius et Jeannette (France) and Metro Tartan's Funny Games (Austria). (Screen Finance, 11:2).

most significant slice of its £40.1 million gross will thus have gone to US-owned companies. And if this film is taken out of the equation, the British share of the UK box office shrinks to 15 per cent, only slightly higher than in previous years. Much the same point can be made about many of the recent so-called British hits. Trainspotting and Four Weddings and a Funeral were part-financed and distributed by the Dutch-owned company PolyGram, while Sense and Sensibility was financed and distributed by Sony.

(Screen Finance, 11:2:9)

The chart below bears this out.

**Figure 3: UK Films' Share of Box-Office Takings 1994-1997 (%)**

| Year                                    | 100%<br>UK Films | International co-productions |          |        | Total<br>UK Films |
|---|------------------|------------------------------|----------|--------|-------------------|
|   |                  | Maj UK                       | Equal UK | Min UK |                   |
| 1994                                    | 10.53            | 0.28                         | ----     | 1.48   | <b>12.29</b>      |
| 1995                                    | 8.64             | 1.54                         | ----     | 0.26   | <b>10.44</b>      |
| 1996                                    | 11.78            | 0.82                         | ----     | 0.23   | <b>12.83</b>      |
| 1997                                    | 19.87            | 0.21                         | 0.02     | 2.88   | 22.98             |
| 1997 (excluding <u>The Full Monty</u> ) |                  |                              |          |        | <b>15.00</b>      |

(Source: X25 Partnership, in Screen Finance, 11:2:9)

This emphasis on production can lead to scarce UK funds being channelled into the production of films, the rights of which are bought up by US distributors who reap the bulk of the profits. Initiatives such as Lottery funding of film production demonstrate this point. For instance, Gruber Brothers/Tomboy Films' Shooting Fish, which gained £980,000 of its £2.9 million budget from a Lottery loan has repaid £250,000 by selling its distribution rights to the US' Fox Searchlight. Similarly Film & General Productions' True Blue has repaid £400,000 of a £1 million loan through sales of rights to US distribution company Miramax, who have also bought the rights to River Films' The Woodlanders to the tune of £350,000. The sole repaying film with a UK distributor (Land Girls, a UK/French co-production, distributed

through Film Four) has repaid only £13,000 to date<sup>10</sup>. The scheme's problems become more apparent when one considers that these 5 project repayments of £1,171,404 come from a total of £46,420,000 awarded for production by the Arts Council of England to 90 projects since September 1995 (Screen Finance, 8:16).

The distribution argument also applies to the revenue generated by increased cinema attendance in this country. These multiplexes are largely owned by conglomerated US distribution and production companies, leading to high exposure for US-backed movies at the expense of homegrown productions. The economic and cultural ramifications of this 'multiplex monopoly' will be discussed in the following part.

#### **4. Exhibition**

With exhibition we see the same double-edged process of US investment as identified before. On one hand, investment over the past two decades in multiscreen cinemas by US interests has undoubtedly contributed to dramatic rises in British cinema attendance. On the other hand, exhibitors claim a significant slice of any successful film's profits (see Figure 2). As such, we are presented with the familiar picture of revenue from UK film successes benefiting US commercial interests rather than the domestic film industry.

##### **4.1. The Rise of the Multiplex**

A brief history of the multiplex is relevant here, as this demonstrates how the present paradigm of inadequate UK investment leading to US exploitation is part of an ongoing process stretching back for decades. Regarding exhibition, domestic lack of investment was apparent in the UK film industry's failure to respond to the aforementioned slump in cinema admissions in the late 1960s. Instead of attempting to revivify cinema-going when threatened

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<sup>10</sup> Even in this instance, due to limited distribution funds, foreign distribution rights have been surrendered to overseas interests: Belga Films in Belgium, Sogepaq in Spain, Spentzos Films in Greece, Medusa Film in Italy, Lusomundo Audiovisuals in Portugal and Myndform in Iceland (Screen Finance, 11:2:8).

by television and changing demographics, many exhibitors simply scaled back their investment or closed altogether. Whilst declining audiences were a serious problem at this time, these closures and under-investment only added to a vicious circle of falling admissions. A 1962 study by the economist John Sparos suggests that up to 100 million cinema admissions were lost annually due to such cuts (Sparos, 1962).

However, while UK cinema attendance dropped from 1,635 million in 1946 to 54 million in 1984 (Dyja (ed), BFI, 1996:12), “the Americans...had already spotted an opportunity to revitalise Europe’s exhibition sector” (Puttnam, 1997:317). This came in the form of the multiplex: “With as many as 14 screens, they give cinema-goers a wide choice of films at one location....They also offer clean pleasant surroundings, convenient parking, and are often part of larger developments which include other attractions such as eating places and shops” (Dyja (ed), BFI, 1991:37). Such environments stood in marked contrast to underfunded UK cinemas where “Many screens...were so cheaply partitioned that the soundtrack from one film was audible in adjoining auditoria” (Puttnam, 1997:315).

In 1985 American Multi-Cinema (AMC) opened its first UK multiplex at Milton Keynes and “soon AMC together with other American companies like National Amusements, United Cinemas... and Warner Brothers were building multiplex cinemas all over the United Kingdom” (Puttnam, 1997:318-319).

#### **4.2. The Multiplex Monopoly: Economic Consequences**

The benefits of multiplexes to UK cinema-going in the 1990s is undeniable: cinema screens and capacities have dramatically increased, and the lucrative youth audience have been lured back with some success (Street, 1997:18).

However, earlier points made concerning production and distribution need to be reiterated here: the majority profits from film successes are going to overseas commercial interests and not the British film industry. As Figure 2 shows, the exhibitors' profit margin from films tends to be even greater than the distributor – up to 60%.

All is not totally negative for the UK exhibition sector however, the Rank-owned Odeon chain is still a major force here, and with Virgin's acquisition of MGM Pathe's exhibition interests in 1995 (totalling 406 screens) UK interests held a majority interest in UK exhibition facilities for the first time since the early 1980s. However, as with film production, UK companies don't have the financial resources available to their US counterparts, making them vulnerable to unexpected fluctuation in profits<sup>11</sup> or to buy-out from overseas competitors: note Thorn-EMI (formerly ABPC)'s acquisition by Cannon and then MGM. Once again, UK investment success has been capitalised upon by overseas interests due to a fragmented domestic industrial structure. Equally worrying are plans by Richard Branson to float the Virgin Cinema Group within the next two years (Screen Finance, 11:11:18), it seems likely that significant shares will be bought up by US majors, who have been untroubled by the UK's monopolies laws: a recent Monopolies and Mergers Commission's Report, whilst finding that "all the leading exhibitors except Odeon have some ownership link, direct or indirect, with a Hollywood studio" (Monopolies and Mergers Commission, 1994), concluded that "the situation does not in itself raise concerns for the public interest" (ibid). This is short-sighted given that exhibition impacts upon the British film industry not only on an economic level, but on a cultural one: cinemas owned by vertically integrated US major studios are inevitably going to give exhibition preference to films produced and distributed by themselves, rather than domestic productions; again demonstrating the interconnectedness of economic and cultural factors<sup>12</sup>.

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<sup>11</sup> Cinema admissions are notoriously unstable – for instance, admissions for July 1998 were less than half of the £10.6 million taken in July 1997, a fluctuation attributed to the popularity of the television coverage of the World Cup (Screen Finance, 11:13:14).

<sup>12</sup> "The Americans, of course, have been very welcome in the UK, since it is they who have invested most heavily in new multiplexes. But there is a growing awareness that the hegemony of Hollywood in both exhibition and distribution... makes it even more difficult... for independent British films to gain effective access to the market" (Dyja (ed), BFI, 1996:35).

### 4.3. The Multiplex Monopoly: Cultural Consequences

The major problem facing British films as regards exhibition is that, given the extent of US dominance in both distribution and exhibition, it is extremely difficult for UK films to reach an audience in the UK.

All too often, British films are relegated to smaller, less mainstream 'arthouse' cinemas, adding to the popular view of UK films as 'arty' non-mainstream productions and which generate less advertising revenue than the multiplexes<sup>13</sup>. Furthermore, the US majors are able to finance big budget 'blockbuster' films specifically targeted at hi-tech multiplex facilities, and can fund a large number of prints to simultaneously meet the demands of the increasing number of screens in the UK and elsewhere. "Cinema attendance, box office revenues and video sales and rentals are heavily concentrated around the 15-20 "must see" or "blockbuster" films of the year. In 1995, the top 15% of films generated more than 30% of the gross box office revenues" (Spectrum, 1996:21). The phenomenal profits that these film can generate allow the studios to offset the costs of less successful films (the 'hit' ratio of such films is around 1 in 10 (ibid:26)). UK films, however, are rarely able to fund many prints of each film and cannot compete on this level: "The average US negative...costs were almost eight times larger than the UK average and the print and advertising costs were on average 23 larger than those of UK films" (Spectrum, 1996:24). As such, even where multiplex showings are attained, blanket coverage across the country is difficult and so the "blockbuster effect" cannot be attained to offset risk within the UK industry.

This situation has serious cultural consequences whereby indigenous expressions of national identity are displaced by US dominance of an economic and homogenised nature. Such concerns over national and cultural identity were expressed in 1996 by the French government which indicated that it would "move to prevent the spread of multiplexes by introducing legislation designed to curb construction of new venues" (Puttnam, 1997:319). Most worrying of all is the significant number of UK films achieving no release whatsoever: either going

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<sup>13</sup> Many of these smaller cinemas - such as the National Film Theatre and the BFI's regional Film Theatres - do not advertise at all, relying instead on public subsidy (Screen Finance, 11:10:5).

straight to TV or video, or sinking without a trace. Figure 4 below illustrates the declining trend of UK film exhibition – especially that of arthouse cinemas prepared to exhibit UK and non-Hollywood films (column (2)).

**Figure 4: Types of Release for UK Films 1984-1994**

**Proportions (in %) of UK films and UK Co-Productions which achieved:**

| <b>Year</b> | A wide release – opening on 30 or more screens around the country. | A limited release mainly in art house cinemas or a limited West End release . | Unreleased (i.e.: no distribution deal; straight to TV or video; abandoned or unknown). |
|-------------|--|---|---|
| 1984        | 50.0   | 44.0  | 6.0   |
| 1985        | 52.8   | 35.9  | 11.3  |
| 1986        | 55.8   | 41.9  | 2.3   |
| 1987        | 36.0   | 60.0  | 4.0   |
| 1988        | 29.5   | 61.2  | 9.3   |
| 1989        | 33.3   | 38.9  | 27.8  |
| 1990        | 29.4   | 47.1  | 23.5  |
| 1991        | 32.2   | 37.3  | 30.5  |
| 1992        | 38.3   | 29.8  | 31.9  |
| 1993        | 25.4   | 22.4  | 52.2  |
| <b>1994</b> | 31.0   | 22.6  | 46.4  |

*(Dyja (ed), BFI, 1997:30)*

However, to concentrate solely on exhibitors is to neglect an important factor in film exhibition: the audience. In aligning economic with cultural concerns, the paramount question here must be: given the current problems within the industry does the British public actually want to see British movies? And if not, why?

#### 4.4. The Audience

Whilst the monopolistic nature of multiplex ownership must contribute to the poor performance of many UK films at the UK box-office (audiences can hardly be expected to attend films which are not being exhibited or of which they are unaware), this is not the whole picture. Aside from occasional ‘must-see’ British phenomena, such as Four Weddings and a Funeral, and The Full Monty, the British public seems rather lukewarm in their response to British films.

This may be down to the image of UK films as having “low budgets and small-scale, gritty realism” (DCMS,1998:56). Whilst older and more educated filmgoers respond positively to “characters and settings they can identify with, films that make them think about social issues [and] ‘native’ humour” (ibid: 56), these are not positive endorsements for the C1C2 18-30 mass market audience “who prefer to see big budget films with well-known stars, fast action and large-scale special effects” (ibid:56). This market’s main concern is that films are “easy to watch” – demonstrating a perception of cinema purely as an entertainment medium (rather than having “too heavy a message”)<sup>14</sup>, an ideology which the leisure-orientated multiplex environment confirms.

**Figure 5: Cinema going by age and socio-economic group**

| Age Group               | 7 to 14 | 15 to 24 | 25 to 34 | 35+   | ABC1  | C2DE  |
|-------------------------|---------|----------|----------|-------|-------|-------|
| No. of People (million) | 5.77    | 7.19     | 9.16     | 29.63 | 25.42 | 26.33 |
| Twice a month           | 11%     | 17%      | 7%       | 2%    | 7%    | 4%    |
| Once a month            | 15%     | 22%      | 12%      | 5%    | 11%   | 8%    |
| Once every 2/3 months   | 27%     | 24%      | 22%      | 7%    | 17%   | 11%   |
| 2/3 times a year        | 27%     | 20%      | 23%      | 13%   | 18%   | 17%   |
| Once a year             | 9%      | 7%       | 15%      | 13%   | 13%   | 11%   |
| Less often              | 6%      | 4%       | 9%       | 18%   | 14%   | 13%   |
| <b>Total</b>            | 95%     | 94%      | 88%      | 58%   | 80%   | 64%   |

(Source: BFI Handbook 1998)

It is notable that the rise of the multiplex heralded the rise in cinema attendance of younger age groups; “In the late 1980s, exhibition practises and patterns of ownership were profoundly affected by the spread of multiplexes...the youth audience (aged 15-24) was lured back to cinema-going with some success” (Street, 1997:18). Given that their preference is for predominantly US films, watched in predominantly US-owned multiplex outlets, increases in cinema attendance over the past decade can be seen to have largely bypassed British productions, save for those which (as discussed in Part 1) subordinate cultural specificity to general entertainment: “the [C1C2 18-30] audience is very willing to go to see British films perceived as highly entertaining, such as *Four Weddings and a Funeral*, *The Full Monty* and *James Bond*” (DCMS,1998:56).

A 1998 Government audience survey concluded that “films like these, which are both immensely enjoyable and quintessentially British, have universal appeal across all ages and social groups and represent, for many, the way ahead for the British film industry” (DCMS,1998:56). It must be acknowledged that such commercial, mainstream successes are necessary if one is going to maintain less commercial, more challenging productions. However, an economic and cultural balance must be achieved here – whilst merely aping successful Hollywood film formulas would be culturally counter-productive for the industry; an overemphasis on less mainstream productions is not economically viable and leads to a lack of public confidence in UK films as entertainment. The issue of public confidence is vital in terms of the industry:

An important new phenomenon of the past few years has been in re-establishing the confidence of the cinema-going audience in the “British Movie”. This is not just a cyclical upturn but a behavioural shift which is reported to have positively changed the attitudes of the exhibitors and distributors towards British film makers... there is now a greater willingness to exhibit and promote British films.

(Spectrum, 1996:11)

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<sup>14</sup> Quotes taken from SRU Ltd. Audience Research for DCMS.

In order to capitalise on this situation a degree of generic consistency is needed to regain audiences for UK films: “The majority of cinema-goers are fairly conservative and risk-averse in their choice of films...Most choices, therefore, tend to be within established preferences for ‘my kind of film’” (DCMS,1998:55).

A final point: the issue of audiences is not merely a matter of whether they prefer US or UK films, it is also a matter of whether they prefer the experience of cinema-going to other media. The launch of digital TV in the UK, with movie subscription and pay-per-view facilities will inevitably impact upon cinema attendance to the detriment of UK cinema.

In the face of such competition, it is vital that moves are made to capitalise upon the current high profile of UK films to stimulate inward investment into a sustainable British film industry, which will survive both the fluctuating fashions of commercial marketability and the ever-increasing array of new media. This will be no easy task, and it is one that has generated a variety of diverse – and often conflicting – responses.

## **5. Hopes For The Future? New Initiatives in the British Film Industry**

The UK film industry’s recent high-profile has engendered numerous new initiatives to bolster film-making. Whilst any help that can be given to the industry is to be welcomed, the volume of these – many implemented by the incoming Labour Government – has occasionally proved problematic, with policies being adopted and then abandoned or modified with confusing regularity. The UK industry needs a *consistent and unified* response to the challenge of creating a coherent and viable film-making system.

### **5.1. Subsidising Bodies**

Certain sectors of the British film industry have long depended upon subsidising bodies for funds, usually in the area of production. Whilst this has undoubtedly facilitated the making of some important British films which might never otherwise have been made, reliance upon

such bodies indicates the current underlying weakness of the industry. I shall concentrate here on two key organisations which demonstrate the positive and negative aspects of subsidisers.

### **5.1.1. The Arts Council of England**

The primary role of the Arts Council of England here, is its control of Lottery funds for film production – most notably the franchise system. The idea was to provide funds for production companies to create a slate of films (rather than merely funding individual projects) – the thinking being that such consistency would allow these companies to become more commercially viable and eventually more autonomous, with greater scope for reinvestment from successful films. Whilst the Spectrum report's appraisal of the current state of the industry was accurate when it recommended this system, several assumptions concerning its efficacy have proved flawed. For instance, initial proposals mooted creating seven or eight of these franchises, although in the event only three emerged<sup>15</sup>. Furthermore, the report acknowledges the importance of consistency of output and distribution in profit-making, yet offers little help save for increased funds for production – the problems of which have already been discussed – demonstrating the aforementioned reluctance to marry the *cultural* act of producing with the *economic* act of distribution. This has created an unrealistic perception of what increased production funds can achieve. Without plans to align distribution with production in an integrated structure, one cannot simply increase production spend and expect domestic production/distribution companies to spontaneously appear: "The sums of money on offer are large by British standards, but they are tiny when compared with the level of capital required not just to create but to sustain internationally competitive film companies. Spectrum's optimistic scenario is surely untenable" (Dyja (ed), BFI, 1996:19).

### **5.1.2. British Screen**

This is a private company, aided by a Government grant. Whilst primarily providing production funds through administration of the European Co-Production Fund and

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<sup>15</sup> DNA Films, the Film Consortium and Pathe Pictures, which were awarded a total of £92.256 million over six years in May 1997 (Screen Finance, 10:10)

Government-backed funds<sup>16</sup>, the organisation has placed an emphasis on sales of rights to British distributors: “The largest category of outside investment for films backed by the main fund and/or the ECF was advances from UK-based sales agents and pre-sales to British distributors<sup>17</sup>, which accounted for 32.7 per cent of the total” (Screen Finance, 11:10:3). Funds raised by British Screen have been significant – a total of £55.8 million last year (Screen Finance, 11:10:2), and recent successful films have included The Crying Game, Orlando, Naked, Land and Freedom and Richard III (Dyja (ed), BFI, 1997:270).

## 5.2. UK Government Initiatives

The recent boom in the UK film industry largely coincided with the election of the Labour Government in May 1997, a point which certain ministers would have as more than mere coincidence<sup>18</sup>. Certainly, this boom has presented ministers with a commercially positive industrial profile upon which to build.

On the surface of it, the Government has met the challenge of revitalising the British film industry in a positive manner, with Culture Secretary Chris Smith appointing Tom Clarke as the first ever Film Minister last year. However, it is interesting that his full title was Minister for Film and Tourism – a combination which perhaps represents a view of film as a packaging of ‘Britishness’ for outside interests rather than a vehicle for domestic cultural expression. Furthermore, Mr. Clarke was ousted after barely a year in the role (in the Cabinet reshuffle of July 1998), just after announcing plans for the creation of a single Film Council to replace a number of existing separate bodies. Encapsulated in this one example are two key problems which permeate this Government’s approach to the industry:

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<sup>16</sup> Including the Arts Council’s Greenlight Fund which allocates National Lottery money for medium budget features.

<sup>17</sup> The sales agents were Capitol Films, Distant Horizon, Handmade, Intermedia, J&M Entertainment and The Sales Company, the distributors were Entertainment and Metrodome (Screen Finance, 11:10:3).

<sup>18</sup> In December 1998, “films minister Tom Clarke [claimed] that the rise in the UK market share was partly due to the new Labour government’s enthusiasm for films” – a claim that was met with some skepticism (Screen Finance, 11:2:9).

- 1) Tension between the cultural (boosting of domestic film product) and the economic (boosting of UK as a service industry for overseas film-makers).
- 2) A lack of consistency. Whilst the Government is obviously concerned with creating coherence within the industry, its approach so far has itself been uneven.

Despite these initial problems however, positive aspects are emerging from the Government. The policy of marrying domestic *cultural* production with inward *economic* investment is apparent in the proposed extension of the Capital Allowances introduced last year. A case has been made for extending the 100% tax write-off on production costs for films budgeted under £15 million<sup>19</sup>, to the first £15 million of films exceeding that amount. As well as boosting faltering US investment in the UK industry, this would encourage more medium budget UK films and “could make film production and distribution an attractive option for potential big new [UK] investors” (DCMS,1998:21). This is a matter of confidence in the industry: a confidence which was severely damaged by the collapse of the British film company Goldcrest in 1985. This company, bolstered by a string of commercial successes<sup>20</sup> and favourable capital allowances, attracted a number of City investors who lost out badly when Goldcrest overstretched itself and folded<sup>21</sup>. “More than a decade later it would still be virtually impossible for independent British film and television producers to raise money from City investors” (Puttnam, 1997:312). One way the Government propose to regain City investors’ confidence is through the creation of an All-Industry Fund that

will help to deliver the improvements to the structure and commerciality of the industry needed to attract private investment from outside the film sector...t those companies that make money from the exploitation of British films – i.e. exhibitors, distributors, video companies and broadcasters – should make a voluntary contribution to this fund [around 0.5% of film-related turnover], which could work with Lottery money to support

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<sup>19</sup> This was announced in new Labour Government’s first budget in July 1997.

<sup>20</sup> These included Gandhi (1982), A Room With A View (1985), Local Hero (1983) and The Killing Fields (1984).

<sup>21</sup> This came about in 1986 through investing in three high budget features which simultaneously flopped – The Mission, Revolution and Absolute Beginners.

development, distribution and generic marketing and promotion schemes, and related training

(DCMS, 1998:20)

This is useful in several ways: firstly it creates a degree of financial autonomy within the industry, with at least some profits from successes going back into the domestic market rather than overseas (an aspect which has been lacking since the abolition of the Eady Levy<sup>22</sup>). Furthermore, this represents a widening out of the focus on *production* to neglected areas such as *distribution*, *development* and *marketing*. The fund would raise around £20 million per year, which would be used to “create a confident, self-sustaining industry” whose “success will grow a bigger fund and further success” (DCMS,1998:20).

In balancing economic unity with cultural diversity in the UK, lessons can be learned from Europe-wide initiatives which have attempted to do just that in the European film industry - with mixed results.

### 5.3. European Initiatives: the MEDIA Programme<sup>23</sup>

The MEDIA (Measures to Encourage the Development of the Audio-visual Industry) programme was created by the European Commission in the late 1980s, aimed at encouraging unity among film-makers across Europe in the face of US dominance of the industry. This rather combative stance was informed not only by US-European skirmishes regarding films in the 1986 Uruguay round of the GATT negotiations<sup>24</sup>, but by the earlier thinking of Dimitri

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<sup>22</sup> This was a system for recycling box-office profits back into production. Unfortunately, falling cinema admissions in the 1980s allowed the Conservative Government to axe it in their 1985 Films Act, arguing that it represented “*an unreasonable burden on the cinema exhibition industry*” (White Paper, 1985, quoted in the Spectrum Report (1996))

<sup>23</sup> Whilst a number of valuable initiatives exist to support film-makers within the European Union (in 1995 ECU820 million (\$921 million) were distributed Europe-wide by various film and television funds) (European Audiovisual Laboratory (1998)) I shall concentrate on the MEDIA programme as this represents a number of issues relevant to this study, as well as constituting the largest of the various European film initiatives.

<sup>24</sup> In these negotiations the Europeans – led largely by the French – fiercely opposed US proposals to include films as a service in GATT, an act which would have precluded the Europeans’ ability to protect their industries along cultural lines.

Balachoff, the European Film Association president who proposed the 'Balachoff Plan' in 1977 on the basis that "since most individual markets were too small to support a fully competitive film industry...the only way forward was for Europeans to operate collectively" (Puttnam, 1997:326).

However, whilst Europe is able (arguably) to operate as a single *economic* market of around 320 million potential consumers, attempts at *cultural* standardisation would be counter-productive; representing a mere replication of Hollywood output, with inevitably lower budgets and fragmented market appeal. On the other hand, attempts to maintain individual cultural integrity in European film production would also be counter-productive; leading to fragmentation of output and thus audience. For instance, the first stage of the MEDIA programme cost ECU250 million over five years but was hamstrung by being split into twenty separate schemes. Whilst providing a sense of inclusiveness for individual nations, this produced an approach which was "too fragmented to have any significant impact on the way in which the industry in Europe is organised" spending "too little time focusing on the actual needs of the market" (Puttnam, 1997:327). A further complaint is that too much emphasis was put on producers, and not enough on the wider market scenario: "To that extent, it mirrored that historic tendency of the European industry to focus on production rather than distribution, which for so long has prevented the possibility of serious competition with the Americans" (ibid).

It is therefore hardly surprising that the number of initiatives were reduced for the second phase of the programme, MEDIA II. Again, this phase has been criticised for its emphasis on production, with a recent EC think-tank report "recommending that more funds be allocated to...distribution, [and proposing] the creation of an automatic system which would grant producers money for development in proportion to how well their films perform at the box-office" (Screen Finance, 11:11:9)<sup>25</sup>.

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<sup>25</sup> Whilst the MEDIA II group's annual report is not due until October 1998, there are signs of improvement here: with the EC awarding ECU3.898 million to 70 distributors marketing 29 films in 1997. ECU203,000 was awarded to five UK companies: Azureglade, Downtown, Entertainment, Gala and Metro Tartan (Screen Finance, 11:10:9).

More importantly, the group argue the need to create an autonomous industry with a degree of independence from the US hegemony: “Europe must create the conditions for a competitive audiovisual industry that will, in the medium term, be self-sustaining and no longer need public support...The group concludes that Europe should concentrate on what it does best and avoid trying to compete with Hollywood on Hollywood’s terms. “What the European industry does best is create audiovisual products which are specifically European” (Screen Finance, 11:11:9).

The UK’s close historical and linguistic ties with the US have led to a tendency to see the US film industry as a model for Britain’s own (“In film-making, as in so much else, the British had always felt closer to the Americans than to their European counterparts” (Puttnam, 1997:304)), a notion compounded by isolated individual UK successes in the US market and interest in the UK as a production site by US film-makers. Neither of these aspects are sufficient to maintain a US-style film industry however, and both can largely be attributed to a common English language (it is debatable as to whether The Full Monty or Four Weddings and a Funeral would have had the same success in the US had they been foreign-language films). In conclusion, I shall discuss the need for those involved in its planning and development to be practical, clear and *realistic* in determining exactly what can and should be achieved by the industry – culturally, economically and structurally.

## **Conclusion**

Whilst not wishing to detract from recent British successes, I hope I have demonstrated that determining the success or otherwise of British film-making is a much more complex affair than simply citing recent film hits with a UK setting.

The main complexities lie in the fragmented structure of our own domestic industry and the dominance of the integrated US industry which has an intractable control over distribution in this country, and thus over which films are marketed and exhibited.

However, the industry's current high profile has at least stimulated attempts to capitalise on such successes. Until recently, industry initiatives had often been production-orientated; failing to address the industry's problems at a structural level – the cultural act of production must be married to the economic act of marketing and distribution if our industry is ever going to attain any autonomy from US dominance. Recent Government moves to target these areas more, and to take responsibility for production away from unsuitable bodies such as the Arts Council, are encouraging.

What is required is more than increased funds however: in initiating radical structural change, increased domestic investment must be combined with effective commercial industrial expertise. In bringing these two factors together, City investors must be encouraged to return to the industry.

The film industry is faced with a Catch-22 situation: viable commercial success will prove difficult without City investment, whilst investors are unlikely to return until viable commercial success can be proven. Whilst Government initiatives have aimed to regain a degree of confidence, the television industry may prove more useful. As well as increasing investment themselves in film production, the BBC, ITV and Channel Four's film wings are developing plans to nurture greater links with City investors. In planning structural changes to create vertically integrated systems in the UK, Film Four provides the only currently viable UK model. By developing a number of modest successes over the years and reinvesting profits from small-scale distribution practices and film rights, Film Four is now able to attract investment in more medium- to large-budget commercial features which will in turn fund its less mainstream films.

This latter example is significant in deciding what form a successful British film industry is going to take. All too often in the past the British film industry has attempted to gain autonomy from its US counterpart by replicating it – a feat which is neither possible nor

desirable<sup>26</sup>. We must accept the UK's economic limitations – our home market is simply too small to generate the kinds of investment funds that Hollywood enjoys – although our shared language does give us an advantage over our European (not to mention African and Asian) counterparts. To replicate Hollywood's international success would necessitate a standardisation and cultural homogenisation of our film products which would be culturally counter-productive to say the least. Conversely, a unified European film industry would prove equally impossible and undesirable – offering a choice between cultural standardisation or Europe-wide industrial fragmentation (See Part 5).

Nevertheless things are not as negative as they sound, for the British film industry has much to offer. My point is that we must set aside distracting notions of creating a British Hollywood and concentrate on creating a self-sustaining home market with a degree of autonomy from US interests, which would allow moderate overseas success as well as generating profits from commercial successes which could be reinvested to foster new talent and sustain existing producers. “Instead of filling our heads with vain thoughts of Hollywood-on-Thames, we'd buckle down to films about our own time and place... at least we'd have a rational industry [and] achievable expectations” (Brown, writing in *The Times*, 1998:16). The Film Four model demonstrates that this will be a slow process<sup>27</sup>, and patience will be needed from those concerned with the industry's revival. The Government especially needs to settle upon a consistent approach to the industry's problems and reduce the U-turns which have typified its approach thus far.

Of course, US influence is not simply going to disappear in the face of UK initiatives. In terms of exhibition especially, the multiplex is here to stay – and given the huge impact it has had on increasing audience figures this is both inevitable and necessary. Whilst Branson's Virgin group seem poised to withdraw from this sector, Rank is currently building up its exhibition interests after years of disinterest. Perhaps the most important factor in the area of

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<sup>26</sup> “Deep down, Britain gets into such a fix about its film industry because we speak the same language that America does. We feel compelled to compete with American products, or at least aim for a production level that our country's size and economics cannot sustain” (Brown, writing in *The Times*, 1998:16).

exhibition is the cinema-goers themselves. Demographically the most common cinema-going group – the 15-24 year olds who prefer US-style blockbusters – is declining whilst “Not only are the 25-34s growing in number but so are the over-35s, who in 1995 numbered 29.37 million” (Dyja (ed), BFI, 1996:35). Interestingly, it is these older groups who are more sympathetic towards UK productions, although they tend to go to the cinema less frequently. In encouraging more frequent cinema-going the Government is backing a working group<sup>28</sup> aimed at promoting both British films and cinema-going as a social activity.

One major factor in terms of the audience is that of alternate forms of media (such as satellite, digital TV and cable) which all present alternative choices for the audience. Whilst this would seem to represent a potential threat to the cinema industry, it may well necessitate the development of a “much more differentiated market... for cinemas to address different parts of the audience much more specifically. It is, after all, what every successful retail industry ends up doing sooner or later” (Dyja (ed), BFI, 1996:35). Ironically, the introduction of niche marketing in film could well represent the most likely means of breaking the stranglehold that US blockbusters currently exert upon cinema exhibition, and pave the way for a situation whereby “a broader range of [British] film-makers, distributors and exhibitors would be able to find an audience and to survive in the marketplace” (DCMS,1998:38).

Over the next few years it will become clearer as to whether the initiatives discussed here have gone any way towards addressing the problems described above, a situation which will be largely determined by the British cinema-going audience and their reaction to the rapidly changing media landscape. Whatever the future holds, one can be sure that UK film-makers will continue to struggle against the odds to produce films of quality and value – what remains to be seen is whether a viable *economic* film industry can be created to match these *cultural* qualities and values.

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<sup>27</sup> Whilst Channel Four began film production at its inception in 1982, Film Four did not establish itself as a separate and self-sustaining body until 1998.

<sup>28</sup> This group is proposed to constitute the British Film Institute, Film Education, the film industry, Regional Film Theatres, local education authorities and universities and colleges, Skillset, the Teacher Training Agency, the Office for Standards in Education, the Department for Education and Employment, the Qualifications and Curriculum Authority and the Department for Culture, Media and Sport (DCMS,1998:39).

**Appendix 1: UK Film Production, 1/1/98 – 31/3/98**

| TITLE                          | PRODUCTION COMPANIES                  | COST (£m) | TV FUNDS  | OTHER PRESALE                                | SUBSIDY   | OTHER FINANCE                |
|--------------------------------|---------------------------------------|-----------|-----------|--|---|------------------------------|
| <b>Majority UK productions</b> |                                       |           |           |  |   |                              |
| Alien Love Triangle (part 1)   | Figment Films                         | 3.00      |           | Miramax Films                                |   |                              |
| An Ideal Husband               | Fragile Films                         | 6.50      |           | Pathe Films, Miramax, Icon Entertainment     | Arts Council of England   |                              |
| An Ideal Husband               | Scorpio Productions                   | 1.00      |           | Winchester Films                             |   | Enterprise Investment Scheme |
| Anxiety                        | Mortal Films                          | <1.00     |           |  |   | Private investors            |
| Arlington Road                 | Samuelson Productions                 | 16.83     |           | Lakeshore Entertainment, PolyGram            |   |                              |
| Ashes to Ashes                 | Red Moon Productions                  | <1.00     |           |  |   | Private investors            |
| Being Considered               | Serendipity Productions               | <1.00     | BT        |  |   | Private investors            |
| Beautiful People               | Tall Stories Productions              | 1.11      | Film Four | BFI  | Arts Council of England, British Screen, Moving Image Development |                              |
| The Debt Collector             | Dragon Pictures                       | 3.00      | Film Four |  | Glasgow Film Fund   |                              |
| Dreaming of Joseph Lees        | Midsummer Films                       | 2.00      |           | Fox Searchlight                              | Isle of Man Film Commission                                       |                              |
| Everybody Loves Sunshine       | The Mission Productions               | 2.20      |           | IAC Holdings                                 | Isle of Man Film Commission                                       |                              |
| Gregory's Two Girls            | Lake Young Productions                | 3.50      | Film Four |  | Scottish Arts Council   |                              |
| Human Traffic                  | Fruit Salad Films                     | 2.20      | BBC Wales |  |   | Private investors            |
| The Killing Zone               | Seventh Twelfth Collective            | 0.01      |           | Seventh Twelfth Collective                   |   |                              |
| Mad About Mambo                | First City Features, Plurabelle Films | 5.00      |           | Gramercy Pictures, PolyGram                  | British Screen, The Irish Film Board, Arts Council of N. Ireland  |                              |
| Make Believe                   | Make Believe Productions              | 0.25      |           |  |   | Private investors            |
| Mickey Blue Eyes               | Simian Films                          | 22.00     |           | Castle Rock Entertainment                    |   |                              |
| Notting Hill                   | Notting Hill Pictures                 | 15.00     |           | PolyGram                                     |   |                              |
| Old New Borrowed Blue          | Revolution Films                      | 2.40      | Film Four | Miramax Films                                |   |                              |
| Onegin                         | Onegin Productions                    | 8.40      |           | Rysher Ents, Entertainment Film Distributors |   |                              |

| TITLE   | PRODUCTION COMPANIES  | COST (£m)     | TV FUNDS         | OTHER PRESALE   | SUBSIDY   | OTHER FINANCE                                      |
|---|---|---------------|------------------|---|---|--|
| Simon Magus                                     | Silesia Films   | 3.00          | Film four        | ARP (France), Lucky Red (It), Hollywood Partners (Ger), Goldwyn Films | Arts Council of England                           |  |
| Small Time Obsession                            | Solo Films  | 0.45          |                  | Seventh Twelfth Collective  |   |  |
| Solomon and Gaenor                              | APT Film and Television   | 1.60          | S4C<br>Film Four |   | Arts Council of England,<br>Arts Council of Wales |  |
| Still Crazy                                     | Marmot Tandy  | 7.00          |                  | Columbia Tristar  | Greenlight Fund                                   |  |
| Swing   | Last Time Productions   | 4.00          |                  | Kushner-Locke Co.   |   |  |
| This Year's Love                                | The Kismet Film Company   | 2.75          |                  | Entertainment Film Distributors                                       | Scottish Arts Council                             |  |
| Trouble on Earth                                | Rollercoaster Films   | 1.00          |                  |   |   | Private investors                                  |
| 24 Hours in London                              | One World Films   | 1.30          |                  |   |   | Enterprise Investment Scheme                       |
| Virtual Sexuality                               | The Bridge/Noel Gay Production Company  | 3.70          | Canal Plus (Fra) | Sony Pictures   |   |  |
| The War Zone                                    | Channel Four Films  | 2.00          | Film Four        |   |   |  |
|   |   |               |                  |   |   |  |
| <b>Total (30 films)</b>                         |   | <b>124.20</b> |                  |   |   |  |
| <b>Majority UK international co-productions</b> |   |               |                  |   |   |  |
| The Lost Son                                    | Scala Productions, Ima Films (France)   | 7.00          | Canal Plus (Fr)  | UIP   | Arts Council of England                           |  |
| Eight and a Half Women                          | Woodline Productions, Movie Masters (Neth), Delux Productions (Luxembourg), Continent Films (Ger) | 8.24          |                  | TFI International   | Dutch Film Fund, Eurimages                        |  |
| To Walk With Lions                              | Studio 8 Productions, Kingsborough Greenlight (Canada)  | 10.30         |                  | Helkon (Ger), Triumph Films (Italy)                                   | Cavco (Can)                                       | Lou Horwitz Foundation,<br>Private investors (Can) |
|   |   |               |                  |   |   |  |
| <b>Total (3 films)</b>                          |   | <b>25.54</b>  |                  |   |   |  |
| <b>Minority UK international co-productions</b> |   |               |                  |   |   |  |
| Soldier   | Impact Pictures, Jerry Weintraub Productions (USA)  | 30.00         |                  | Warner Brothers   |   |  |
| Tea With Mussolini                              | Film & General Productions, Medusa Films (Italy), Cine Ripmo (Italy), Cattelaya Film (Italy)      | 8.50          |                  | Medusa Films (Italy), MGM Universal                                   |   |  |

| TITLE   | PRODUCTION COMPANIES                                    | COST (£m)     | TV FUNDS           | OTHER PRESALE                   | SUBSIDY  | OTHER FINANCE     |
|---|---|---------------|--------------------|---------------------------------|--|-------------------|
| Time to Love  | 3 Emme (Italy),<br>Noe Productions (Fra),<br>Hungry Eye | 9.39          | Canal<br>Plus (Fr) | Rai<br>Cinemafiction<br>(Italy) | Instituto Luce<br>(Italy),<br>Eurimages,<br>European Co-<br>Production<br>Fund |                   |
| <b>Total (3 films)</b>                                      |   | <b>47.89</b>  |                    |                                 |  |                   |
| <b><u>Foreign films shot partly or wholly in the UK</u></b> |   |               |                    |                                 |  |                   |
| Entrapment  | Fountainbridge Films<br>(USA)                           | 51.60         |                    | Fox                             |  |                   |
| Je m'appelle<br>Crawford                                    | Crawford P. Inc (USA)                                   | <1.00         |                    | Warner Brothers                 |  |                   |
| Little Indiscretions  | Bright Penny Productions<br>(USA)                       | 1.21          |                    |                                 |  | Private investors |
| The Mummy   | Universal Pictures (USA)                                | 30.35         |                    | UIP                             |  |                   |
| Shakespeare In<br>Love                                      | Miramax Films (USA)                                     | 15.00         |                    | Miramax Films                   |  |                   |
| Three Business<br>Men                                       | Exterminating Angel<br>Productions (USA)                | 0.73          | VPRO TV<br>(Neth)  | Films Funds<br>Rotterdam        |  |                   |
| The Winslow Boy   | Sony Pictures Classics                                  | 6.00          |                    | Sony Pictures                   |  |                   |
| <b>Total (7 films)</b>                                      |   | <b>105.89</b> |                    |                                 |  |                   |
| <b>Overall<br/>Total (43 films)</b>                         |   | <b>303.52</b> |                    |                                 |  |                   |

Figures for the above chart were collated from the following sources:

1. BFI Handbook, Years 1997 and 1998.
2. Screen Finance.
3. Screen Digest.
4. Screen International.
5. X25 Partnership.

**Appendix 2: Film Policy Review Group Action Plan**

| <b>Implementation dates</b> | <b>Government/ Public Sector measures</b>   | <b>Industry/ Private Sector measures</b>                          | <b>To deliver specific objectives:</b>  |
|-----------------------------|---|---|---|
| <b>By Sept 1998</b>         | first meeting of Action Committee   | first meeting of Action Committee                                 | to plan strategy for industry-led initiatives in particular                       |
|                             | first meeting of Film Finance Forum   | first meeting of Film finance Forum                               | to improve communications between the industry and the City                       |
|                             |   | industry agreement to contribute to new Skills Investment Fund    | to provide funding required to implement new training strategy                    |
|                             |   | new training strategy developed                                   | to meet training needs of a commercial industry                                   |
|                             | film education group starts work  |   | to develop a more cine-literate audience  |
|                             | Film Office established in Los Angeles  |   | to encourage greater inward investment from the USA                               |
|                             |   | new export trade body established                                 | to maximise revenues for British films from all markets                           |
| <b>By end 1998</b>          | new qualifying criteria for fiscal incentives in place  |   | to encourage investment in British qualifying firms                               |
|                             |   | Skills Investment Fund established, new training programmes begin | to deliver the training priorities identified by the Review Group                 |
|                             | new British film definition for measuring success and marketing                               |   | to help promote culturally British film   |
|                             | develop an audience research capability for the industry                                      | develop an audience research capability for the industry          | to increase the industry's understanding of the audience's preferences            |
|                             | complete study on compiling film statistics   |   | to provide easier access to key industry statistics                               |
| <b>By April 1999</b>        | new Arts Council of England strategy in place, including distribution and development schemes |   | to encourage the development of integrated commercial structures                  |
|                             |   | pilot of all industry fund established                            | to encourage better development and distribution of more commercial British films |
|                             |   | film marketing body established                                   | to raise profile of film in Britain through generic marketing initiatives         |
|                             | new BFI strategy in place including results of film education initiative                      |   | to deliver improved film education/cine-literacy programme                        |
|                             |   | strategy for creation of London film market completed             | to help boost overseas sales potential of British films                           |
| <b>By April 2000</b>        | new joint-funded Government-industry strategy in place  | new joint-funded Government-industry strategy in place            |   |

*Source: Department for Culture, Media and Sport (March 1998:8)*

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