BSAC PROPOSALS – CONTRIBUTION TO THE BAZALGETTE REVIEW

PAPER A: "CREATIVE CLUSTERS (INCLUDING TALENT)", "EXPORTS" AND "ACCESSING INVESTMENT AND RESEARCH AND DEVELOPMENT"

26 May 2017

This document provides a summary of BSAC's emerging proposals, which build on the themes set out in our response to the Industrial Strategy Green Paper, a copy of which was shared with the Bazalgette Review in April 2017. It is being submitted as a further contribution to the Bazalgette Review, following the request issued on 15 May for information by the end of May. BSAC will continue to develop its proposals as part of its contribution to securing a 'sector deal' for the Creative Industries.

The document covers three of the five key themes in the Bazalgette Review: "Creative Clusters (including Talent)", "Exports" and "Accessing Investment and Research and Development".

A separate BSAC paper covers the "Developing Intellectual Property" theme (BSAC's Working Groups did not specifically look at New Technology as a separate topic).

1. Creative Clusters, including Talent

- BSAC has approached this by focusing on people – looking at skills (education and training) to develop the talent base; and migration policies to address skills gaps and other demand needs.

- In a successful and fast-growing sector, the **key challenge for the Creative Industries is to expand the workforce in order to ensure continued growth, and to build on the sector's competitiveness.** There is a great opportunity for further sustained growth, with the UK well-placed to capture a significant share of growing global markets in areas such as high-end TV. The high-end TV fiscal incentives introduced in recent years by the UK Government have been very helpful in this respect. But the potential will only be realised if we can grow capacity, around the UK, in terms of studios and facilities (see Section 3 below), and the people needed to work on these projects.

- In terms of talent and skills, we need to be able to nurture and attract the best workers to the Creative Industries if we are to remain a global powerhouse, punching above our weight. But there is a key disconnect that requires intervention: the market does not link supply and demand for labour, as the mechanisms needed to ensure the required supply of new talented individuals across the sector to meet growing demand rely in many instances on actions by the state.

- We therefore need industry and state to work together on skills (education and training) and approaches to migration to help the sector, and creative clusters within the sector.

Skills (Education & Training)

Proposal 1a: Regional pilots to unlock Apprenticeship Levy money

- Now that the Apprenticeship Levy has launched, we need to make it work in the Creative Industries in such a way that it is viable for companies to access funds to support training in the full range of creative roles (which are often project based) rather than just in back office roles (which are more likely to be long-term).

- A key issue with its operation at launch relates to the prohibition on transferring vouchers between companies, given the project-based nature of work in audiovisual sectors such as film and TV. Especially for people with craft or technical skills, we need to be able to transfer vouchers to make it financially viable for companies in the Creative Industries. Early modelling by Creative Skillset suggests that Apprenticeship Training Agencies (ATA's), for example, will only be viable if a minimum of 50% of vouchers can be transferred.

- More broadly, Creative Skillset (working with industry representatives) has identified a range of concerns relating to the implementation of the new Levy. These include their applicability in a sector characterised by project-based work with a significant freelance workforce (apprenticeships cannot be used for projects that last less than a year), the need for clear processes to set standards for delivery, the desirability of recognising the high degree of STEM skills needed in engineering and software development roles in the Creative Industries (which would attract higher funding), and the impact on the current voluntary training levy (which could be undermined by the Levy).

- Given these issues, we propose the rapid implementation of sectoral and/or regional pilots that would allow flexibility to experiment with the best way to unlock Apprenticeship Levy money in the Creative Industries. Regional pilots could be developed, for example, in partnership with LEPs or local Mayors. KPIs would be agreed to test the impact of sectoral and/or regional pilots, both in terms of positive impacts and monitoring of unintended consequences. We note that the Conservative and Labour election manifestos both recognise the need for greater flexibility and we urge the need for pace in post-election implementation by Government.

- Alongside this, work should start now on designing a review of the skills needs of the Creative Industries as a whole and the impact of recent initiatives, to take place 12 months after the launch of the Apprenticeship Levy. This review should be thorough and rigorous, including the Apprenticeship Levy and other training initiatives, and should build on recent work in this area, including the BFI Film Skills Strategy which will be published shortly and which is based on a comprehensive review by the BFI of UK film skills. Creative Skillset should be asked to map out the terms of this comprehensive Creative Skills review, in consultation with the industry. (Note that this would need to be funded and regularly updated to reflect the fast changing needs of our sector. It would be aligned with the research methodology adopted across the wider Creative Industries).

Proposal 1b: Coordinated policies to promote the Creative Industries in schools

- A significant barrier to developing talent in the Creative Industries is that we are not getting enough people coming out of schools who wish to embark on a career in this sector. It is vitally important to promote the sector in schools and to broaden access across all parts of the UK, both geographically and in terms of all groups in society.

- Careers advice is haphazard and, where it is provided, often poor. There is a perception amongst some parents that a career in the Creative Industries is not attractive. This is exacerbated by concerns about the lack of security for young people entering the sector (freelance nature of work, low-paid or unpaid internships, etc.), which have legitimacy in relation to certain roles and circumstances.

- Industry should step up and play a major role in getting into schools and promoting the sector, in a coordinated and systematic manner. Companies should put more effort, time, focus and ingenuity into helping young kids get into industry. Approaches should be developed to encourage industry participation.

- To help coordinate this, we would support giving a greater role to organisations that already have access to schools, such as Into Film, by expanding their remit to include careers advice by leveraging a partnership with Creative Skillset. Support could also be provided, for example, by local arts institutions, if they were funded to take on this additional role.

Proposal 1c: Expansion of relevant courses and closer links to industry

- To meet the growing demand for skilled workers in the Creative Industries, and close skills gaps over the long-term, the ambition should be to expand industry courses – through existing institutions to the extent possible, and where gaps remain by establishing new ones – and to draw on best practice in the sector as we do so. e.g. there should be three (say) NFTS's around the UK. We welcome the new film school planned in Manchester within Manchester Metropolitan University.

- This expansion should be explicitly linked to regional strategies, by focusing on skills needs around the UK in creative clusters. Institutions should be located in, or close to, key clusters, and courses should be developed through consideration of the skills needs and talent gaps in each area. BSAC is working on further proposals with regard to creative clusters.

- Implementation should be developed in association with LEPs and local businesses. As with the proposed Apprenticeship Levy pilots, we would encourage some discretion to relax rules that might inhibit successful outcomes, to empower local policymakers and enable them to take risks.

- More generally, there should be much closer linkages to industry for all courses relevant to the Creative Industries, so that university graduates get the best training to enter the workforce in their desired fields. **The ambition should be to maximise the proportion of graduates from approved courses who are able to get a job.**

- It is important to reformulate technical education courses (for 16-19-year-olds) and higher education courses to meet industry needs. For technical education courses, we need to make sure the right people are representing our industry on the new industry panels for relevant technical pathways (i.e. digital, creative and design). In higher education, academics need to talk to industry when creating curricula.

- We believe, firstly, that there should be industry involvement in skills assessment of courses (i.e. what is taught and how), e.g. with tick-lists for courses that are industry-approved. The model would be a 'Quality mark from industry, endorsed by Government'. Creative Skillset are leading on this through a redevelopment of the 'Tick' quality mark; key to this is to ensure practitioner input and support to assessment and accreditation. Secondly, for assessment of students, there should be an industry representative on all external examination panels. The Government should be asked to endorse this approach and encourage course providers to engage with industry accreditation. This could be achieved through QAA rules.

- We also need to find and support the people who will build the next generation of successful creative businesses. BSAC's Green Paper response highlighted the need to combine business/financial skills with creative and technical skills in the Creative Industries. We need to expand training courses that will help us to create new entrepreneurs in the Creative Industries to build the next generation of successful British creative businesses (Creative Skillset is piloting short course accreditation to ensure an outcomes-based approach and to ensure gaps are effectively targeted).

- Alongside this, there is also a need for accountants, bankers, HMRC officials, etc. to understand how the Creative Industries work.

Migration

Proposal 1d: Pragmatic approach to allow people from overseas to work in the Creative Industries

- There are several categories of instances, some specific to the Creative Industries, in which companies need to bring in people from overseas:

    - first (not specific to the Creative Industries): where there are skills gaps that cannot be filled by UK talent in the short term;

    - second, the Creative Industries need to be able to employ the right global talent that fits the creative proposition or which will help to sell content globally. Thus, there will always be content in which, say, a US star is needed to sell the product to the US. This is not just about A-listers: for some content, its creative proposition will justify bringing in other (e.g. emerging) talent from overseas that is best suited for the project; and

    - third, global distribution relies on local/cultural knowledge of other countries, which by its nature cannot readily be taught or trained. The Creative Industries need to be able to employ people with these skills.

- While the long-term aim should be to reduce skills gaps by expanding training in the UK, it will never close completely, due to natural cycles in demands, or because the growth of academic courses may not keep up with growth in demand, or for overseas talent or people with local/cultural knowledge.

- Also, there is scope to develop new creative approaches, e.g. creating a UK Erasmus scheme for graduates to experience life around the world to assimilate local cultures – these skills would help fill specific skills needs for distribution/export-focused jobs, although such schemes cannot be expected to fully meet industry needs for local/cultural knowledge of export markets.

- So there will always remain instances in which companies in the Creative Industries need to be able to employ people from overseas, often on a short-term project basis. The Government's migration policy should expedite, not block, this through a special deal on migration, as part of the proposed Sector Deal for the Creative Industries.

- This is a complex area, which needs to be considered in the context of the Government's overall migration policy. **The principle should be to substantially reduce bureaucracy (in terms of time, cost and approvals needed) in defined instances when companies in the Creative Industries need to bring in people from overseas for roles.** This is especially important in those parts of the Creative Industries that are project-based, in which a long delay could jeopardise the entire project or see it locate to another country.

- As part of a special deal on migration for the Creative Industries, we believe there is merit in examining proposals such as the following:

    - a model in which companies can apply to be accredited approvers (providing benefits to the sector in terms of time, admin and cost savings); and

    - e-visas and online passport forms for non-complicated applications.

2. Exports

- BSAC has looked at market access with respect to the EU post-Brexit and to the rest of the world.

- Given the multinational nature of many projects in audiovisual sectors, **an overarching principle should be to preserve, or develop, cross-border models of cooperation that allow people and equipment to move around the world as needed for UK co-productions; and which encourage investment in, and exports of, UK content.**

Relations with EU post-Brexit

Proposal 2a: The Government should ensure that UK content continues to meet the requirements to qualify as 'European Works' in the EU post-Brexit

Proposal 2b: The Government should seek to maintain access to EU markets for UK-based TV channels, as currently provided by the Country of Origin (COO) principle in the Audiovisual Services Media (AVMS) Directive

- There is significant value in maintaining these two elements of the current regulatory framework, even if they may be delivered in a different way post-Brexit:

    - COO has helped the UK develop into Europe's leading broadcasting hub; and

    - qualification as European Works supports UK programme exports to the EU and beyond and underpins investment in UK content from companies based in the UK and across the EU.

- If the UK were to remain subject to the AVMS Directive after Brexit, this would provide market access throughout the EU, preserving key benefits to the UK relating to the COO principle. Should this not be possible, the Government **should give enhanced status to the European Convention on Transfrontier Television** ('the Convention'), which, as a result of its historic link to the TWF Directive (the precursor to the AVMS Directive), provides access to European markets for UK-licensed channels – although it does not cover all EU markets, nor does it cover on-demand services. Under this option, the UK would of course need to remain a signatory to the Convention, and should play a proactive role in supporting it.

- **Remaining a signatory to the Convention is also necessary** if UK works are to qualify more widely as European Works post-Brexit, as the UK will no longer be an EU Member State. To maintain the benefit from UK works qualifying as European Works, the EU AVMS Directive must also continue to define European Works widely, including those made in countries which are signatories to the Convention, as well as EU Member States.

Relations with non-EU countries

Proposal 2c: The Creative Industries and DIT should work together to identify key target countries and find creative ways to navigate access to them

- Government policy needs to look beyond just co-production treaties, which are most helpful where there is a mutuality of incentives, with structures for producers on both sides to facilitate the drawing down of benefits; but are of less practical use in countries whose business models, availability of public support schemes and approach to public administration are too different to those in the UK.

- We believe that the Creative Industries and DIT should work together to identify key target countries (e.g. those with big or growing audiovisual markets), and then find creative ways to navigate access to them. Candidates include India, China and Nigeria. The aim should be to develop strategies for both formats and finished products, including co-productions.

- It will be necessary to conduct detailed research into the key markets, drawing on experiences of people with first-hand knowledge of the markets, to draw an accurate picture of opportunities along with barriers to entry, legal and economic issues, etc. This might, for example, involve updating a report commissioned by the BFI in 2012, 'International Territory Review – a report on major territories for UK Film', to bring the analysis up-to-date with market and legal analyses for key export target territories, and expand the work to cover other creative sectors, such as TV and video games.

- This research into the key markets identified by industry should be facilitated by the Government, but with input from industry – BSAC would be happy to help to scope this research or to input in other ways.

Proposal 2d: To assist its export initiatives, the Government should implement policies to secure 'easy wins' and amend those that lead to unintended consequences

- For example, the suggestion above to establish a UK Erasmus scheme – enabling graduates to assimilate local cultures – would enable companies to employ British people that would help them to understand overseas markets.

- At the same time, it is a missed opportunity not to make the most of the influx of people from around the world that come to study in the UK, and who now find it increasingly hard to remain in the UK to work even if they have skills that would be of great value to British companies. For example, Chinese graduates could be incredibly useful for companies who wish to export to China or develop partnerships with Chinese companies. Policies which prevent them from remaining in the UK after graduating, and which in effect also discourage them from applying to UK universities in the first place, are hugely counterproductive.

Proposal 2e: Do not trade away the elements of the UK Creative Industries that are working well and contribute to its strength and competitiveness

- Do no harm – there are many distinctive parts of the Creative Industries that rely on public interventions that are highly beneficial, including the PSB system (comprising inter alia the licence fee, BBC, Channel 4, regulatory quotas for independent and regional production, terms of trade framework, etc.), fiscal incentives and the IP regime (see below). These should be preserved and not traded away.

3. Accessing Investment and Research and Development

- BSAC's view is that our **ambition should be to achieve a larger share of the global market for audiovisual goods and services.**

- This relates both to content for which the IP is owned and exploited by British companies, and content that is made in the UK (including inward investment). Both contribute to the success of the audiovisual sector, and it is important to stress that they are not in opposition; indeed, the two sides of the sector reinforce each other. But it is important to consider them separately in some instances as the policy levers to deliver success will sometimes be different.

- High-end content in particular is a high-risk hit-based business, comprising high fixed production and marketing costs, the need to sell off rights in international and ancillary markets to finance production, and very low marginal costs. With most costs borne upfront, a portfolio approach is necessary to manage commercial risk, leading to the development of large companies able to access capital. This confers an overwhelming advantage to firms that benefit from large homogenous domestic markets, in which audiovisual companies can exploit economies of scale and scope.

- In this context, the challenges that the UK audiovisual sector faces include: sub-scale businesses, industry short-termism, and a disconnect between the Finance and Creative Industries. Overall, there is a need to bridge the gap between supply and demand for finance in the sector.

- Of particular concern is the UK independent film sector, which is a vital part of the DNA of the audiovisual sector, playing a number of important roles: as an incubator for talent in front of and behind the camera, and as a key element of the UK's cultural landscape that provides soft power benefits through breakout and cult hits. A recent report commissioned by Pact points to a collapse in pre-sales in the sector, which has driven down budgets and impacted on the sector's ambitions.

UK funding sources

Proposal 3a: Review definitions and eligibility criteria for existing financing schemes to ensure they work effectively in the audiovisual sector, and provide funding for additional resources in HMRC with industry expertise

- A wide range of existing public interventions and institutions exist that support the UK ecology. Many of these are fit-for-purpose after many years of review and refinement, and the focus should be on preserving what we have and identifying the areas where they need to be strengthened or adjusted.

- **An overarching theme is that schemes that are designed for the whole economy often do not work effectively in the audiovisual sector due to specific structural features of the sector, such as project-based work and the ways in which IP is exploited. The priority should be to amend definitions to enable these schemes to be accessed in our sector.**

- One of the challenges the audiovisual sector faces is that there is insufficient understanding of how audiovisual content is created and exploited in HMRC, and this lack of industry understanding inhibits constructive dialogue on key issues such as co-productions' eligibility for different schemes. **We recommend that funding should be provided for additional resources in HMRC to enhance its expertise of the audiovisual sector.**

- **EIS/SEIS**: There are some challenges for the audiovisual sector due to the change of rules that means that single productions are no longer eligible; however, we recognise the value of the new focus for EIS on businesses and not projects, with the aim to support high-risk early-stage businesses with growth potential. To further this aim and ensure it works well for the audiovisual sector, **the eligibility criteria should be adjusted to allow co-productions and distribution businesses, both of which legitimately involve IP exploitation (in the latter case, we recognise the need to develop criteria that work for the audiovisual sector without having unintended consequences for other sectors). We also propose raising the EIS £5 million cap to £10 million, and the SEIS £150,000 cap (a prohibitively large proportion of which can be taken up with admin costs) to £500,000.**

- **R&D Tax credits**: It is currently difficult for companies developing audiovisual content to access these tax credits, due to restrictions on creative R&D. We believe that this is counterproductive: just as much as other forms of R&D, creative R&D involves significant levels of risk, whilst its returns are often even more precarious than for, say, pharmaceuticals, for which a successful product can be licensed around the world for years. For creative projects, the end-product may have a much shorter life cycle that cannot as readily be replicated or sold globally for a long period of time. **This suggests that creative R&D merits more, not less, support, and that the criteria for this tax credit should be reviewed to support investment in the Creative Industries.**

- **Export credit**: We believe that there is greater scope for support for the audiovisual sector from UK Export Finance, the UK's export credit agency. This could potentially provide invaluable help both to companies and individual projects in our sector. Facilitating audiovisual companies to access this would require greater industry expertise in the agency, the lack of which we believe has inhibited its use. **We propose that funding should be provided for additional resources in UK Export Finance to enhance its expertise of the audiovisual sector, and to enable it to promote its export credit support to the sector.**

- **Studios and infrastructure**: We need to continue to encourage investment in studios and infrastructure, to ensure they remain world-class and competitive, which in turn enables the UK to maintain its strong skills base and to attract inward investment. BSAC's Green Paper submission made a number of proposals: **there should be a review of the planning system (which has inhibited development); all local authorities should have a Local Plan in place which reflects the Government's commercial, environmental and housing aspirations, and which pay due regard to representations made by studios; bodies representing the Creative Industries should work more closely with LEPs to dovetail into their Strategic Economic Plans; the Government should bear in mind its industrial goals whilst pursuing those relating to housing developments (there is a risk of current proposals leading to a reduction of incubator space for micro businesses and 'pop-up' studios); and the development of 5G broadband should be expedited to ensure competitiveness. BSAC also supports the review that the BFI has commissioned to examine service provision to inward investment films, on which the BFI is working closely with the British Film Commission, the UK's national organisation responsible for attracting inward production to the UK.**

- **Tax reliefs**: After many reviews, the current system of incentives work well, and the focus should be on ensuring their continued success. The UK needs to remain competitive, but the Government should not seek quick wins or risk an escalation war with other countries or make any changes that could harm market access in the EU (we do not wish to forego the benefits of maintaining regulatory equivalence) **BSAC believes that we need a successful indigenous film production sector, and supports a specific review of the interventions to support it. We therefore welcome the BFI's proposed Film Commission into Independent Film, as part of its 2017-2022 strategy.** In response to specific concerns identified in the independent film sector in a recent SPI/Olsberg report, Pact has proposed a higher 40% tax credit for British films in the £2 million-£10 million budget range, which should be considered as part of the Commission's work. **BSAC would emphasise that any new interventions should be developed through careful examination of the benefits that would result, and should take care to avoid unintended consequences in terms of the overall sector deal and the Brexit negotiations.**

- **PSB interventions**: The complex set of PSB interventions are one of the key reasons why we have a world-class broadcasting system in the UK that punches above its weight. PSB institutions and other interventions (e.g. around the indie sector) are significant contributors to the UK Creative Industries' exports and soft power overseas. **The aim should be to maintain and build on these measures, with the priority being not to undermine the benefits that they bring.**

European/international schemes

Proposal 3b: The Government should maintain a close dialogue with industry as Brexit negotiations proceed to enable the shape of the sector deal to be refined, in terms of the optimal package of financing schemes

- As the Brexit negotiations proceed, BSAC recognises that trade-offs will need to be made between different objectives: e.g. the degree to which UK schemes can be enhanced depends on whether the UK wishes to maintain regulatory equivalence with the EU. As such, the nature of the trade-offs will become gradually clearer over the next two years. **BSAC urges the Government to maintain a close dialogue with the industry, so we can refine our proposals, and address the trade-offs, as the nature of the post-Brexit deal take shape.**

Proposal 3c: In the context of Brexit, the Government should secure the same, or equivalent, benefits as those provided under the EU programmes, whilst also taking into account the objective of securing access to markets in the EU and around the world

- Support schemes such as Creative Europe and Horizon 2020 provide value beyond just levels of investment and the calculus of money in vs money out to UK projects. They also provide benefits in terms of collaboration, cultural exchange and interoperability (e.g. establishment of common standards). Setting up such schemes requires expertise and infrastructure, which in turn requires funding and takes time, and may create unhelpful competition with existing networks. In practice the benefits of creating new networks from scratch are likely to be outweighed by the benefits of remaining within existing schemes. **BSAC's overarching view on current European schemes is that the Government should seek to retain access to those that are demonstrably helpful.**

- **Creative Europe/MEDIA programme**: This brings substantial benefits to UK businesses, especially through support for exhibition and promotion (including cooperation with other platforms, e.g. VoD). It supports integrated business models across exhibition, distribution and VoD in companies such as Curzon (see Annex for full details of the extent of Creative Europe grants awarded in the UK). Given the range of benefits provided, it would be difficult to secure equivalent benefits from other international schemes, and any attempt at putting in place a new stand-alone scheme would bear higher administrative costs. **BSAC's preference is for the Government to seek to retain access to parts of these initiatives as part of their Brexit negotiations and post-Brexit trade deals. If this is not possible, the Government needs to develop an alternative proposal that would deliver the same benefits (this might include enhancements to UK schemes such as EIS or the tax credits, as described above, if regulatory equivalence with the EU is not an objective).**

- **Horizon 2020**: This provides benefits in terms of the value of funding, collaboration with European organisations and standards. **The Government should seek to retain access to Horizon 2020. We should also look beyond the EU to consider any international networks that might bring the same or equivalent benefits.**

- **Eurimages**: We note the scheme has been reformed and professionalised in the last decade. There is evidence that it provides substantial returns on investment in some countries. Joining it would bring other benefits: sending a positive signal about the UK being 'open for business', and having a voice at the table. As membership does not require EU or single market membership, **BSAC will be giving further thought to whether the UK re-joining Eurimages might be beneficial. In any case, we note that membership of Eurimages should not be seen as an alternative to membership of the MEDIA programme (or a domestic equivalent).**

For more information about BSAC
Please see our website
www.bsac.uk.com

Annex: Creative Europe in the UK

Data provided to BSAC by the BFI.

Grants Awarded

Over the first three years of Creative Europe (2014 – 2016) grants totalling €40 million have benefitted the UK's audiovisual sector.

This is broken down as follows:

Total grant	What did it support?	Examples of UK projects supported*
€11.4 million	UK film, TV and digital platform producers and video game developers to support the development and production of projects targeted at the international market	Feature films supported in development include HIGH RISE, CAROL, BROOKLYN, HALF OF A YELLOW SUN, MR. TURNER, KON-TIKI, CITY OF TINY LIGHTS, JIMMY's HALL, THEIR FINEST, GREAT EXPECTATIONS and I, DANIEL BLAKE
		TV dramas supported in development include HINTERLAND, THE PROMISE and MRS. MANDELA
		Documentaries supported in development include THE LOVERS AND THE DESPOT, UNCLE HOWARD, THE GREAT INVISIVBLE, THE DIVIDE, THE ISLAND AND THE WHALES and INTO THE INFERNO
		Animations supported in development include THE GRUFFALO, TOOT THE TINY TUG BOAT, DIGBY DRAGON, BOJ & BUDDIES and BING
		TV programmes supported in production include dramas THE LAST PANTHERS, HINTERLAND and SPOTLESS, documentaries SOUR GRAPES, INSIDE OBAMA'S WHITE HOUSE and animations REVOLTING RHYMES, SHAUN THE SHEEP: THE FARMER'S LLAMAS and SCREAM STREET
		Video games companies with projects supported in development include REVOLUTION SOFTWARE, THE CHINESE ROOM, ITALIC PIG and NYAMYAM
€18.4 million	Distributors in other European countries to acquire and release 114 films from the UK	JIMMY'S HALL was distributed in 20 countries with the support of Creative Europe grants totalling €961,180
		PRIDE was distributed in 17 countries with the support of Creative Europe grants totalling €1,012,579
		PADDINGTON was distributed in 12 countries with the support of Creative Europe grants totalling €661,455

€5.9 million	UK distributors and sales agents, to acquire and release films from other European countries	ELLE was acquired for the UK with a grant from Creative Europe, the film went on the gross £859,753 at the UK box office.
		IDA was acquired and released the UK with grants from Creative Europe totalling €65,650, the film went on the gross £514,319 at the UK box office.
		A BIGGER SPLASH was released in the UK with a grant of €125,000 from Creative Europe, the film went on the gross £1,205,178 at the UK box office.
€3 million	UK training providers and organisers of industry initiatives that aim to bring together professionals from different countries in order to foster collaboration and increase access to markets.	The National Film and Television School receives a Creative Europe grant of €217,735 to cover 52% of the costs of its INSIDE PICTURES training course. The course trains an international mix of 20 senior feature film executives each year to lead and grow successful businesses.
		Sheffield Doc/Fest receives a Creative Europe grant of €130,000 to cover 41% of the costs of its MEETMARKET AND ALTERNATE REALITES MARKET initiatives. In 2016, MEETMARKET attracted over 300 buyers, allowing 64 projects to be pitched at 1,400 meetings during the two day event generating £3 million work of deals (as of July 2016).
€1.6 million	UK film festivals and members of the Europa Cinemas network as well as cross-border audience development and film literacy initiatives led by UK organisations.	ENCOUNTERS SHORT FILM AND ANIMATION FESTIVAL in Bristol receives a grant of €33,000 to present a culturally and geographically diverse film and education programme.
		There are currently 53 UK cinemas in the Europa Cinemas network, sharing a total of around €250,000 annually to programme non-national European films.
		The Centre for the Moving Image in Scotland is a partner on the Creative Europe-funded film literacy project MOVING CINEMA. With the funding they receive they run an EIFF Young Programmers initiative for 15-19 year olds interested in curating and writing about contemporary European cinema.

**Due to the long-term nature of the funding, some of the examples of projects that received development support may have been funded in the previous MEDIA Programme (2007 – 2013).*

The Leveraging Effect

Direct Grants: Based on the co-financing percentages provided by the EACEA, MEDIA sub-programme beneficiaries in the UK were able to leverage match-funding worth five times the amount of their Creative Europe grant from 2014 – 2016.

	Maximum Grant Awarded €	Total Value of Project €	Total amount leveraged against the grants €
2014	9,215,684	70,614,789	61,399,106
2015	6,201,012	25,881,445	19,680,433
2016	5,592,072	32,562,115	26,970,043
Total	21,008,767	129,058,349	108,049,582

N.B. the Maximum grants Awarded doesn't include grants awarded to Europa Cinemas in the UK and it reflects the reinvestment rather than generation amounts in the Automatic and Sales Agents schemes.

Indirect support for UK films: Based on the co-financing percentages provided by the EACEA, European distributors and sales agents, who applied and received MEDIA support, invested over €44 million in the acquisition and release of UK films from 2014 to 2016. 29% of this investment came from Creative Europe grants.

The grants that supported the acquisition of UK films (MG costs) leveraged match-funding worth 3.5 times the amount of the Creative Europe grant, while the grants that supported the release of UK films (P&A costs) leveraged match-funding worth double the amount of the Creative Europe grant.

	Maximum Grant Awarded €	Total Value of Project €	Total amount leveraged against the grants €
MG Costs	5,544,207	25,387,206	19,842,999
P&A Costs	12,806,489	37,438,774	24,632,285
Total	18,350,696	62,825,980	44,475,284

Case Studies

THE DISTRIBUTOR: Curzon Film World / Curzon Cinemas
In the first three years of Creative Europe, Curzon Film World received grants totalling over €2.8 million. This supported:

The acquisition and releases of 20 non-national films from 9 different countries.

- €610,556 was awarded to support the acquisition (MG costs) of these films
- €759,200 was awarded to support the releases (P&A costs) of these films.
- 12 of these films received both acquisition support (contributions towards MGs) and release support (contributions towards P&A costs)

The development and promotion of innovated online distribution

- €1 million was awarded to support the Curzon Home Cinema VoD service.
- €345,763 was awarded to the day-and –date release of Matteo Garrone's TALE OF TALES.

The programming of non-national European films in cinemas

- Four cinemas in the Curzon Cinemas chain are members of the Europa Cinemas network, receiving subsidy for programming films from other European countries. The cinemas in the chain that benefit are; Bloomsbury, Mayfair, Soho and Richmond.

THE PRODUCER: Number 9 Films
To date Number 9 Films have received a total of three Slate development awards through Creative Europe and the previous MEDIA sub-programme:

- €190,000 in 2009 to develop four projects including BYZANTIUM, MIDDLE OF SOMEWHERE, GREAT EXPECTATIONS.
- €190,000 in 2012 to develop four projects including CAROL and THE LIMEHOUSE GOLEM.
- €180,000 in 2015 to develop three projects including COLLETTE and MIDDLE OF SOMEWHERE.

Four of the of the 11 projects supported in development have made their way to production (a 36% conversion rate), with European distributors outside of the UK also receiving €494,277 to acquire and release GREAT EXPECTIONS and BYZANTIUM for their territories.

THE INDEPENDENT BRITISH FILM: I, DANIEL BLAKE
Sixteen Films received funding to develop I, DANIEL BLAKE as part of their slate of projects that were awarded €172,828 of funding in 2015.

Distributors in 10 European countries used money they had generated through Creative Europe's automatic distribution scheme to provide Minimum Guarantees for the film worth €94,886.

The film's release in Europe was also supported, with distributors in 26 European countries receiving grants worth €863,700 to cover the film's P&A costs in their countries.

The film went on win the Palme d'Or at the 2016 Cannes Film Festival and generated the highest number of admissions in the MEDIA-supported Europa Cinemas network in 2016 (964,900).