Career sustainability for directors in the UK independent film sector

Report for Directors UK by Olsberg•SPI

8th April 2015

OLSBERG•SPI

Contents

1. EXECUTIVE SUMMARY

1.1. Context for the Study

This project has been commissioned by Directors UK in response to data, published by the British Film Institute ("**BFI**"), which highlighted the fact that career sustainability can be highly problematic for directors in the UK independent film industry.

The BFI data showed that a significant majority – 82.3% – of directors of UK independent films were only associated with one film between 2003 and 2013.[1] This pointed to the very difficult career outlook facing first-time directors in the UK, and also began to raise awareness of an issue that had not attained wide attention.

At the same there is also growing recognition of the difficulties that directors face in sustaining a career in features beyond a first or second film, with the same BFI data showing that only 42 film-makers – out of 876 directors – were able to make three or more independent UK films between 2003-2013. As Paul Greengrass – one of the UK's most globally-successful feature directors – has said: "We're pretty good at giving opportunities to first time film-makers, but not so good at finding ways to help them make more."[2]

This Study explores in depth the issue of career sustainability for UK film-makers. Primary analysis has been undertaken into BFI data on the directors of all UK independent films released between 2006-2011 to understand career trajectory after the release of a debut and the factors affecting this. This process was supplemented by an extensive programme of consultations with directors and other figures from across the industry.

Directors at all stages of their career were considered – from first-timers to those with several credits – in order to understand the how career barriers change or are renewed throughout a film-maker's working life.

The work also analyses the wider UK independent production landscape in order to understand how the sector's myriad challenges – not least the state of film financing after the crash of 2007 – are affecting how directors are able to work.

The rapidly changing UK distribution and exhibition markets were also studied in order to understand how the challenges of the marketplace are affecting UK independent cinema – and the linked issues facing film-makers.

---

[1] *BFI Statistical Yearbook 2014*

[2] *Paul Greengrass: British Film Industry Must Nurture Young Directors*. The Guardian, April 2, 2014. http://www.theguardian.com/film/2014/apr/02/paul-greengrass-british-film-industry-nurture-young-directors

1.2. Key Findings

The quantitative and qualitative analysis undertaken for this Study has resulted in a number of key findings relating to the sustainability of careers and the effects of current realities in the wider production, distribution and exhibition sectors.

1.2.1. Career Sustainability

This is a clear problem for debut directors in the UK over the Study timeframe. The majority – 72% – of UK directors releasing their debut films theatrically between 2006 and 2011 did not release another film before the end of 2013.[3]

There are a number of complex, interlocking issues related to sustainability. Some are subjective and related to the production of specific films or film-makers, some are related to wider industry factors.

For first-time film-makers there is significant pressure for a debut film to perform to above average levels either commercially or critically. The industry is closely focused on track record and performance and directors whose debuts are deemed to have underperformed can struggle to attract interest in subsequent projects. Ongoing support from a key funder can offer some measure of insulation against this for directors deemed to be promising as long-term talents.

The amount of focus on a debut film, and the sheer volume of competition from other directors, means that there is limited space for mistakes. Film-makers described their first film as a steep learning curve that gave them a great deal of experience. But if the film did not perform they may have struggled to set up a subsequent project – even if they felt they would be better film-makers on their second film. This means that directors can face limited developmental opportunities – as one producer consultee outlined, it may take a second feature for a director to really develop.

Some felt a second film had been harder to make than a first film. This is related to the fact that public funders have a strong imperative to support new voices, as well as the emphasis the industry places on 'hot' new talent. Indeed, one consultee thought the choice of second project was more important than the first.

Another issue for first-timers is pigeonholing – with film-makers describing receiving a glut of similar projects to a debut or being expected to continue working in a similar mode. This is linked to the industry's cautious focus on track record and can help with sales estimates – but can make it difficult for directors to explore diverse work. As one consultee outlined, often smarter directors will not want to make the same type of film as their next project.

For directors in the Study timeframe who did make further films the average amount of time between the theatrical release of a first and second work is 2.7 years. There are a number of reasons for this gap, including the reality that some film-makers are not always ready with a script or project at the moment their first film is finished. This can put significant financial pressure on film-makers, particularly during the development phase. Decision-making around a second project can be an issue, with some directors highlighting a lack of mentoring in this regard.

A gender imbalance was clearly evident in the timeframe. Of debut directors 85% were male and 15% female. Of directors subsequently making two or more films only 12% were female.

[3] This statistic differs from the BFI data showing that 82.3% of directors were only associated with one UK independent film between 2002 and 2013. This is due to a number of factors, including the removal of directors who released films before the timeframe. The 72% figure also refers specifically to UK directors.

Some of the issues experienced by first-time directors are also relevant to directors further along in their careers. The industry focus on track record can mean that even directors who have previously been successful can be judged on their previous work – and as one producer pointed out, success may not even prove to be transformative. As with first-timers, there is limited space to make mistakes, even after success.

For directors at all career stages buzz is a precious commodity in helping to attracting finance and getting projects off the ground. Utilising the presence of such attention strategically to further future projects is a key factor in career sustainability for directors at all career stages. However, buzz can dissipate and strategic opportunities are not always taken advantage of.

Industry visibility and relationships – both with trusted collaborators and other film-makers on a supportive level – can also be important.

Figure 1 – Key Factors in Career Sustainability for UK directors

Negative factors

- Poor box office and reviews
- No project in place around time of debut to benefit from any buzz or industry attention
- Pigeonholing
- Issue of decision-making regarding projects
- Earning pressure during long gap between projects
- Gender imbalance

Positive factors

- Above average box office and / or critical success
- Alternatively, support from key public funder
- Bold voice
- Ability to build an audience
- Platform at major film festival
- Strategic use of buzz to put subsequent projects in place
- Industry visibility

1.2.2. Production, distribution and exhibition in the UK

The UK independent industry is facing something of a perfect storm, with pressure bearing down across the production, distribution, and exhibition sectors.

The volume of independent UK production increased over the timeframe – from 179 films in 2006 to 312 in 2011. However, the rise in production volume is outstripping budget growth. The compound annual growth rate in domestic UK production volume was 16.1% between 2006 and 2011, while the equivalent rate for production spend was just 3.5%.

Consultees suggested that budgets and schedules have been under significant pressure, with one experienced director describing this trend as "a race to the bottom". Another pointed out that the cost and value of a film must now be closely aligned, and that some directors are attuned to this reality.

Analysis of production budgets demonstrates this downwards pressure. Overall, the median budget of a domestic UK feature stood at £140,000 in 2013 according to the BFI. However, this data includes projects made at under £500,000 and, given the BFI's definition of domestic UK, can also include Studio projects. Therefore, further analysis was undertaken specifically into the median budgets of independent UK film projects – i.e. not including any Studio projects – above and below the £500,000 threshold.

Domestic UK films within the independent film category with budgets higher than £500,000 have seen median budgets fall in the decade to 2013 – from £2.68 million to £1.17 million, though the data would appear to show something of a stabilisation across 2011-2013. For films under £500,000 the average median budget of an independent domestic UK film is significantly below this – at £0.097 million in 2013. This budget level was actually a significant rise on the three previous years, though the median level can be seen to have dropped steadily since 2005.

Pressure on budgets is having a number of effects including a lack of progression in terms of budget levels. It is also noted that some film-makers – including experienced directors – are showing willingness to move upwards and downwards in terms of budget levels for creative reasons. Directors stepping down a budget level can find themselves with more creative control.

The budget trends also reflect the increased volume of micro-budget film-making, with features now comparable cost-wise to emerging directors as a longer short. However, expectations of such projects as first features are not always aligned with the constraints under which such projects are made.

A key trend in production budgets has been the reduction in the 'middle-ground' – projects typically budgeted at between £5 million to £15 million. This is due to financing pressures and also because of the rise of television drama in recent years, which some consultees felt had now taken the place of the mid-level feature, with more opportunities for directors in TV drama. Increased porousness between film and television drama is very evident, and film-makers appearing to drop out of the feature industry could be working on similar-level projects in television.

Meanwhile, a number of factors are squeezing opportunities for UK independent film theatrically. Rising competition for slots is key – both from the large rise in independent releases, and also from the marked growth in popularity of areas such as event cinema and alternative content.

In such a competitive market UK independent releases can struggle for theatrical profile: UK independent projects represented 17.6% of all films released in 2013, but claimed a box office share of just 6.6%. This highlights the difficulty independent distributors have in matching the prints and advertising ("**p&a**") investment of Studio releases, and also the pressure on slots and release length that means there is less opportunity for independent releases to build word of mouth.

1.3. Overview of Methodology

To assess issues surrounding career sustainability, the Study employed a methodology that drew on qualitative and quantitative investigations and analyses.

1.3.1. Data Analysis

Using data from the BFI, a core six-year assessment period of 2006-2011 was established. This covered all UK independent films released in the UK over the six years. The focus on films released rather than produced means that the analysis only spans titles that had been considered worthy of an expensive theatrical release – i.e. they were thought to have sufficient audience appeal and commercial potential by distributors to warrant the investment needed to acquire and release them. With only 25% of all independent domestic UK films shot between 2003 and 2011 released theatrically in the UK and the Republic of Ireland within two years of principal photography, the findings of this Study would very likely be amplified should all films produced be the subject of analysis.[4]

The six-year dataset was amended further to remove, for example, all directors who had actually made features prior to the start of the timeframe. Directors who had passed away were also not counted.

A two-year buffer period of 2012-2013 was then utilised to reflect the amount of time it can take to make a feature. Directors who had released a debut feature between 2006 and 2011 were tracked into this buffer period but debut directors releasing films in these two years were not tracked.

In total, there were 269 relevant directors in the data set and each was individually analysed using a broad range of indices. These included:

- Nationality
- Gender
- Budget of debut feature
- Budget of second feature, if applicable
- Length of time between first and second feature
- Box office of debut feature
- Critical reception of debut feature
- Selection at key festivals
- Type of project made after debut feature, including work in sectors beyond UK independent film.

For data consistency purposes, directors with a follow-up feature released in early 2014 or directors attached to features currently in production were counted as one-time film-makers. For example, Sam Taylor-Johnson released her debut feature *Nowhere Boy* in 2009 and has since directed *Fifty Shades of Grey*. However, since that film was released in early 2015, Taylor-Johnson was counted as a one-time director because of the limits of the timeframe.

[4] *BFI Statistical Yearbook 2014*.

1.3.2. Consultations and other qualitative research

In addition to the data analysis a wide-ranging programme of confidential consultations was undertaken to understand the barriers facing directors at different stages of their careers and the impacts of the production, distribution and exhibition sectors on the issues at the centre of this Study.

Consultations were undertaken with 45 individuals, including both one-time directors in the timeframe and directors that had made multiple films. Consultees also spanned:

- Producers
- Financiers
- Distributors
- Exhibitors
- Sales companies
- Agents
- Trade bodies.

Further assessment of trade press and other articles and reports was undertaken, including for comparable territories.

2. CAREER SUSTAINABILITY FOR UK DIRECTORS

This section provides the results of Olsberg•SPI's detailed data analysis into director career sustainability, alongside qualitative insights gathered from consultations with directors, producers, funders and other figures from across the industry.

2.1. Overview

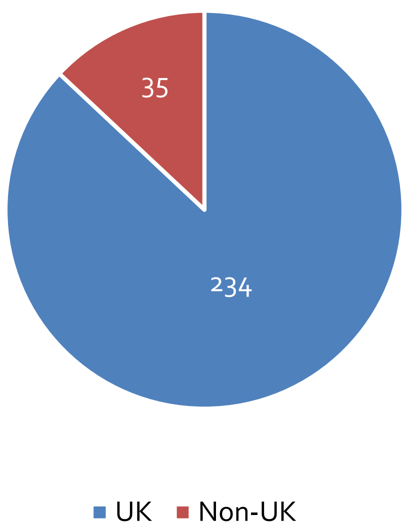
As outlined in Section 1.3, the data analysis focused on directors who had made a UK independent film that was theatrically released in the UK between 2006 and 2011. Analysis was then undertaken into subsequent theatrical releases by the same directors between 2006-2013. A two-year buffer period of 2012-2013 was utilised to compensate for the length of time it can take to make a film, in which releases from new debut directors were not counted but releases from directors to have made their debuts between 2006-2011 were.

2.2. Director Nationality

The total data set contained 269 debut directors. The nationality of each was assessed, with film-makers born overseas considered to be UK directors if they were known to work mostly in the UK. As outlined in Figure 2, below, 87% of all directors – or 234 – were UK film-makers and 13% – or 35 directors – were non-UK.

This reflects the fact that a number of UK films are made with foreign directors for creative reasons or may be co-productions.

Figure 2 – Nationality of All Debut Directors of UK Independent Films Released Theatrically in the UK, 2006-2011



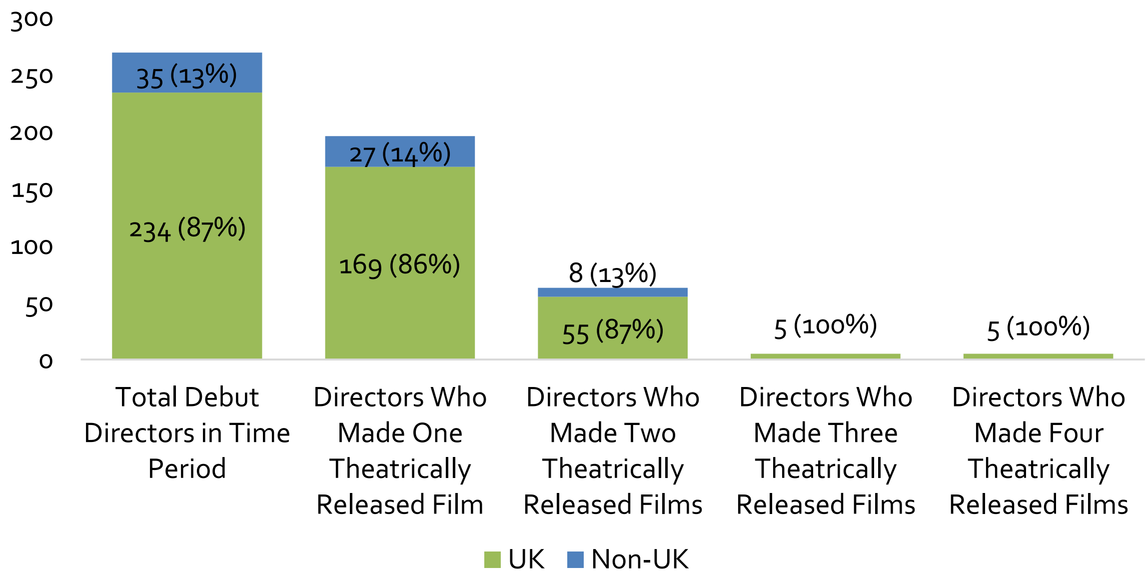
Source: BFI / SPI analysis

2.3. Career Progression

For UK directors releasing a debut film theatrically in the timeframe a sustainable career is certainly not guaranteed. Looking only at UK directors of UK independent film – i.e. discounting non-UK directors – 72% only released one film in the timeframe.[5] Only 24% of UK directors made two theatrically-released films, with 2% making three and 2% making four.

It should be noted that this analysis focuses only on UK theatrical releases. The films in the dataset have therefore reached a position where they are considered to be of a high enough quality to warrant a UK theatrical release. With BFI data showing that only 25% of domestic UK films produced between 2003 and 2011 were released within two years of principal photography in the UK and Republic of Ireland, it is likely that difficulties surrounding career progression would appear even more pronounced if directors of all films produced were considered.

Figure 3 – Directors by Number of Films Theatrically Released in the UK, 2006-2013



Source: BFI / SPI analysis

Of the directors who do maintain a theatrical career after their debut there can be a considerable gap between the release of a first and second film. As outlined in Figure 4, the average gap between releasing a debut film and a follow-up is 2.7 years.

Clearly, feature film-making requires a significant undertaking of time, with development, financing, production, and distribution cycles all to be successfully negotiated. One complicating factor in the timeframe that may exacerbate this gap is the financial crisis of 2007, which clearly affected film financing and, to an extent, resulted in some projects that were not able to progress.

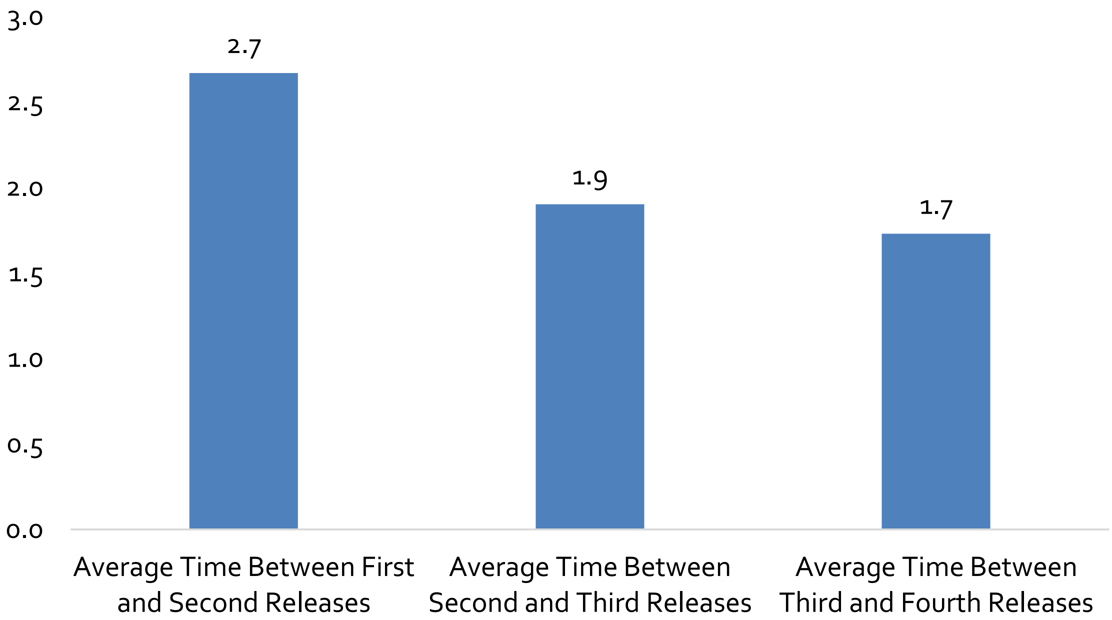
---

[5] This stands at 63% if one-time UK debut directors are considered as a proportion of all debut directors of UK independent films in the timeframe, regardless of nationality. Of the total number of UK independent films released in the timeframe around 26% were made by debut directors who did not make another film in the timeframe.

Interestingly, the average amount of time decreases for directors moving from a second to a third release, and from a third to a fourth – to 1.9 and 1.7 years respectively. This is likely related to a number of considerations, unique to each film-maker, but could be seen to reflect increasing experience and the ability to efficiently and effectively select a project and develop it so that it can be successfully funded and made.

The decreasing gap could also be related to the fact that third and fourth-time film-makers are likely to have been successful with previous films – whether at the box office or critically – and find their work of particular interest to funders and distributors. This could also mean that success accelerates the financing process, though data analysis was not undertaken on this point.

Figure 4 – Average Time Between Films Subsequently Released by Debut UK Directors, in Years



Source: BFI / SPI analysis

While the analysis tracked debut UK directors of UK independent films it also tracked their careers outside of UK independent production. For example, if a director made a second film produced by a Hollywood Studio they were included as a second-time film-maker. This, for example, is relevant for Rupert Wyatt, who followed his 2008 debut *The Escapist* with the Fox-produced *Rise of the Planet of the Apes*, released in 2011.

2.4. Factors Affecting Subsequent Films

Data analysis was undertaken to assess the reasons behind debut directors releasing further films – or not, with a number of consultations with directors and other figures from across the industry to provide qualitative insight into these issues.

This process identified a number of inter-related factors. Some apply directly to a debut film and its performance, some to the individual film-maker, and some to wider considerations in the UK and international industry. These are outlined in the following sections but in summary are:

- The success factor: the effects of box office and critical acclaim
- Premiere at a key festival

- Budget level
- Gender of director
- The progress gap

2.4.1. The success factor

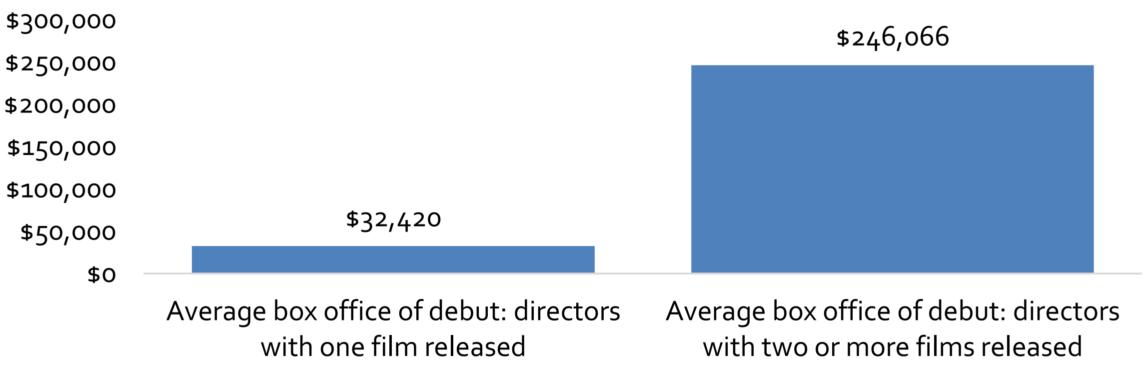
The most obvious point, perhaps, in considering career sustainability is that success of a debut is critical. Film-making can be an expensive and high-risk undertaking and some consultees pointed to natural selection at play: if a film-maker did not perform with a first film, funders are unlikely to want to risk their money on a second.

In terms of measuring success, the industry commonly considers a debut film both quantitatively and qualitatively – through box office performance and critical reception. These indicate the ability of a film-maker to produce work capable of earning revenues – and potentially providing a return on investment – and to create work of high quality able to attract press and the market traction that can result from critical attention.

The importance of these two factors to the progress of the directors in the dataset of this Study was examined in depth. As suggested by consultees both were found to be highly important in terms of career sustainability.

In terms of box office, the average UK theatrical earnings for UK film-makers who only directed one film in the timeframe is £32,420. Film-makers releasing second features in the timeframe however had significantly outperformed this level with their own debuts – earning an average of $246,066 at the UK box office.[6] This demonstrates the importance of box office earnings in sustaining a career, with the debut films of second time directors performing over seven times better at the box office than debut films from directors who did not make another film in the timeframe.

Figure 5 – Median Average UK Box Office of the Debut Film made by One-Time Film-makers and Film-makers with Multiple Releases



Source: Boxofficemojo.com / SPI analysis

[6] A median was used to calculate box office averages, which is in line with the approach undertaken by the BFI in its Statistical Yearbook.

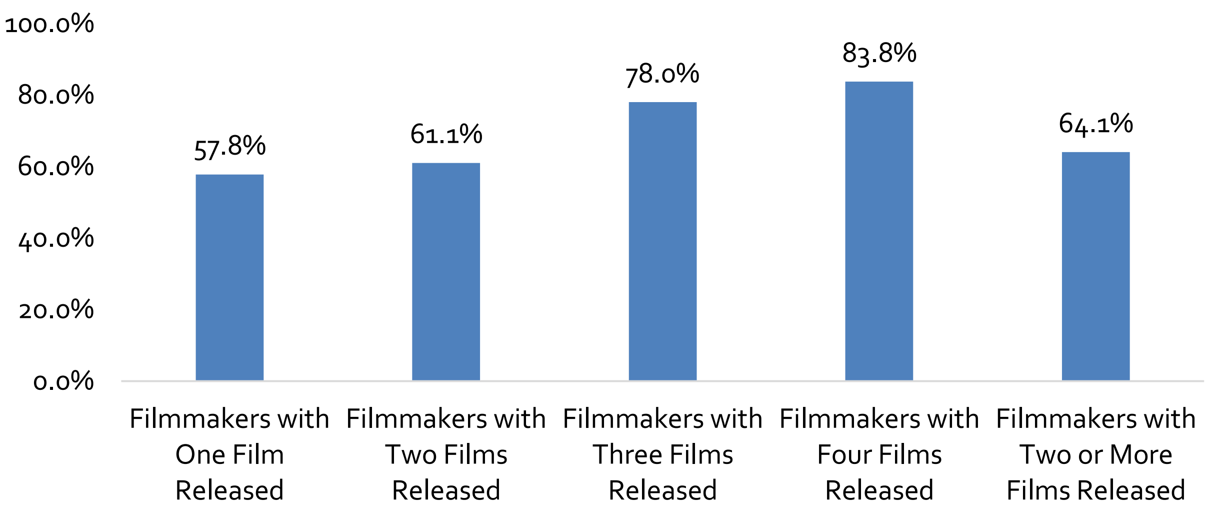
Critical acclaim also plays a major, if less pronounced, factor in career sustainability. In a packed distribution landscape reviews can play a vital role in differentiating a film and giving it profile, while acclaim can also signpost to funders and the wider industry that a film-maker is of ongoing interest.

For the debut films in the timeframe ratings from two key websites were assessed: Rotten Tomatoes and IMDB. The former site includes two ratings for each film – from critics and site users, with the critics' rating used for this analysis. IMDB offers one rating per film, from users.

Considering the results in Figure 6, below, there is a clear correlation between critical response and career sustainability. Looking at the critics' response to the work of debut film-makers in the timeframe the average rating is 57.8%. Film-makers who released a second film had a slightly higher rating for their debuts, of 61.1%. Critics' ratings were significantly higher for the debut films of those directors who went on to release three and four films in the timeframe, with these directors attaining ratings of 78% and 83.8% respectively.

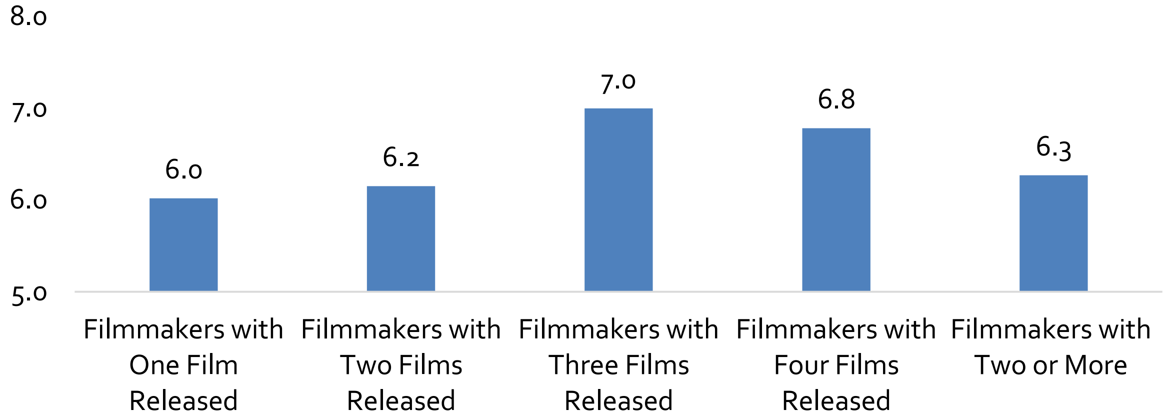
These findings are reflected by the ratings for the same films on IMDB.com, although third-time film-makers had the highest average rating for their debut.

Figure 6 – Rotten Tomatoes Critic Rating for the Debut Films of UK Directors by Number of Films Released, 2006-2013



Source: Rotten Tomatoes / SPI analysis

Figure 7 – IMDB User Rating for the Debut Films of UK Directors by Number of Films Released, 2006-2013



Source: IMDB / SPI analysis

The relationship between box office and critical acclaim on the likelihood of releasing subsequent work underlines the level of pressure on film-makers to deliver with a debut film. The results of the box office and critical response analysis also point to the fact that, to some degree, the stronger a debut film the more likely a director is to make more than two films in the timeframe.

There is a third measure of success that can be important regardless of box office or critical acclaim: industry reputation. Consultees pointed to the fact that some film-makers can draw ongoing interest from the industry even if their debut film did not perform to above average levels.

This is partly due to key UK funders seeking to develop relationships with career film-makers outside of commercial pressures. This can afford a director some degree of insulation from the realities of the performance-led funding approach of the commercial marketplace, instead able to fund a second (and sometimes further films) based on perceived artistic value or latent promise.

Public funding can be more tolerant of mistakes than private finance and directors with such investment can be successfully developed across several films. However, several director consultees spoke of their frustration at finding themselves operating outside of such patronage. As one director consultee said, it is possible to feel out in the cold.

Another factor, related to the audience ratings on IMDB, is the sense within the industry of whether the director is able to build audience engagement with their work.

For those directors whose debuts have performed at below average levels at the box office or did not attract positive reviews the path can become difficult. In an independent marketplace projects are examined by funders and international buyers for potential based on track record of the director (along with other key talent). This is because film projects are prototypes and therefore carry risk. Unlike the writer of a project's screenplay, a director is also likely to have little to show potential backers, given that the project has yet to be made. Therefore backers look to previous work.

Track record is particularly vital in the current landscape, with fewer financing sources and lower budgets.

One consultee also pointed out that the focus on track record was more pronounced with multi-source financing: a sole financier can base a funding decision less on track record than on perceived potential, including of the director and the strength of the underlying material.

Careers can also take different trajectories and it may take two or three films before a director is able to gain recognition and develop a reputation. Indeed, for some film-makers a second film can be like releasing another debut, with some directors describing finding a second film more difficult to get off the ground than their debut.

2.4.2. Premiere at a key festival

The analysis also considered the importance of selection at a key festival on a director's career. As with critical acclaim, festival selection can provide a stamp of quality for new directors and the significant exposure that can result from a successful festival premiere can also be an important step in attracting reviews and building industry and critical reputation.

In order to assess the importance of key festivals on the careers of debut directors the analysis focused the presence of films in the dataset in 15 competitive feature film festivals accredited by the International Federation of Film Producers Associations (FIAPF). While there are many international events on the festival calendar these 15 are considered to represent an 'A list', with selection providing a considerable platform, with high levels of industry and press in attendance. They are:

- Berlin
- Cannes
- Shanghai
- Moscow
- Karlovy Vary
- Locarno
- Montreal
- Venice
- San Sebastian
- Warsaw
- Tokyo
- Cairo
- Tallinn
- India (Goa)
- Mar Del Plata

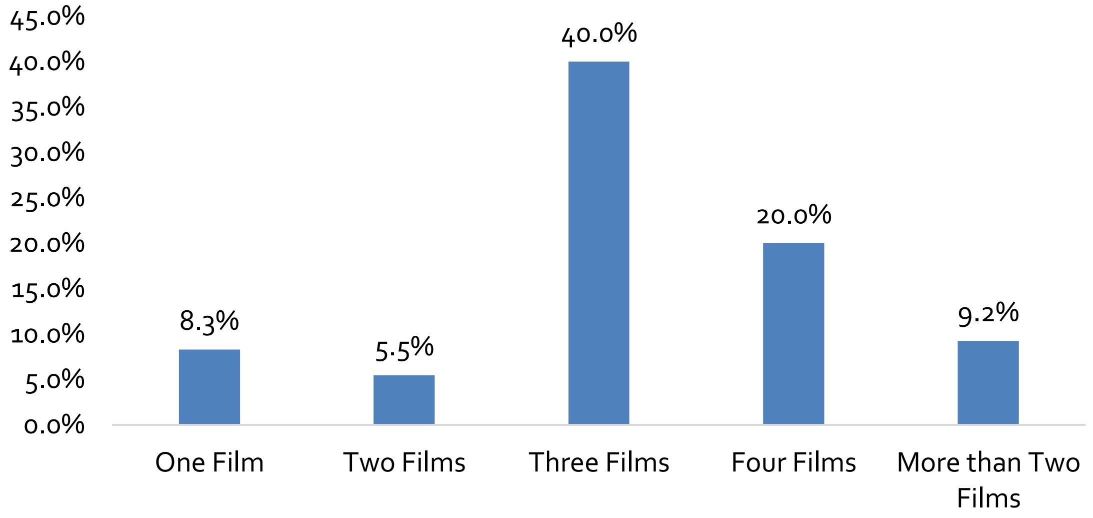
For the purposes of this Study it was decided to focus only on this recognised group of major festivals. While other events can provide a significant platform for UK films around the world – including the London Film Festival, the Edinburgh International Film Festival and others – the FIAPF-accredited competitive events have considerable international visibility and can be expected to attract significant local and international audience, press, and industry attendees – all vital in contributing to meaningful profile for directors.

The data show a relatively small number of debut UK independent films – 8.3% – being selected for any official section at these events, reflecting their highly selective nature of these festivals.

Interestingly, the number of second-time feature film-makers whose debut had screened at a key festival was lower than this average, at only 5.5%. But the importance of key festival selection for sustaining a career beyond a second film is very clear: of three-time directors in the Study time period 40% had been selected to one of the 15 festivals above with their debut. These included two directors who had attracted significant buzz around their debut features (and in fact, who had both achieved Oscar nominations or wins for short films): Andrea Arnold, whose *Red Road* debuted in Competition at Cannes in 2006 and Sean Ellis, whose *Cashback* screened at San Sebastian in 2006.

This trend continues across further films with 20% of four-time directors having screened their debut in a key festival.

Figure 8 – Percentage of Debut Films in Key Festivals by Directors of One or Multiple Credits



Source: BFI / SPI analysis

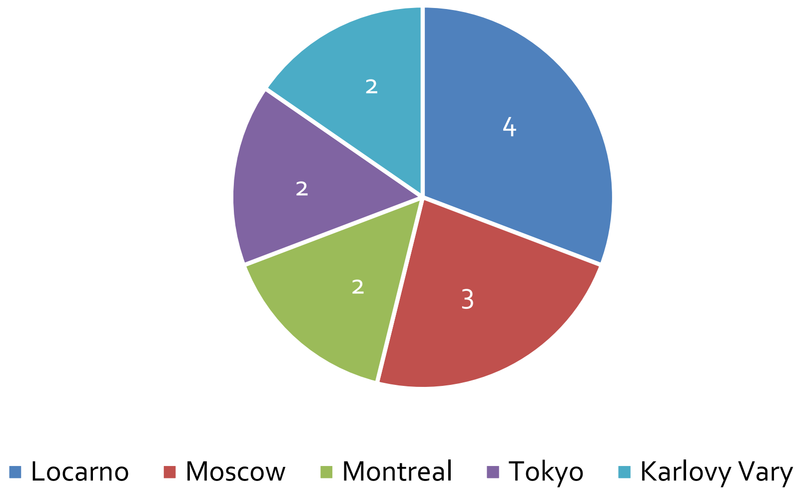
Significantly, no one-time film-maker from the dataset screened their debut in Cannes or Berlin. Directors who had screened their debuts at these major festivals had all released further films in the timeframe (as did the directors screening at San Sebastian). This underlines the fact that Cannes and Berlin are focused only on the highest quality international cinema, and also that they are renowned for providing a particularly strong launchpad for directors, who can attain global renown after a very successful premiere.

Access to such major festivals is dependent on the selectors deeming a work to be of sufficient artistic quality – and it is worth noting that multiple UK directors who screened their debut in such an event did attract major acclaim for the quality of their work. These include Andrea Arnold (whose *Red Road* won the Jury Prize at Cannes) and Steve McQueen (whose debut *Hunger* screened in Un Certain Regard at Cannes in 2008 and won the Camera d'Or prize).

Of the 15 festivals six did not programme a debut from a UK director in the timeframe. These are:

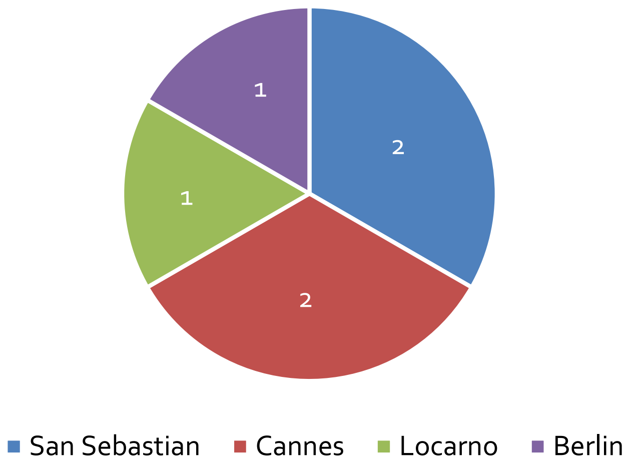
- Shanghai
- Venice
- Cairo
- Tallinn
- India (Goa)
- Mar Del Plata.

Figure 9 – Selection of Debut Films from One-Time Directors at Key Festivals, 2006-2011



Source: BFI / SPI analysis

Figure 10 – Selection of Debut Films from Directors with Two of More Films Released 2006-2013



Source: BFI / SPI analysis

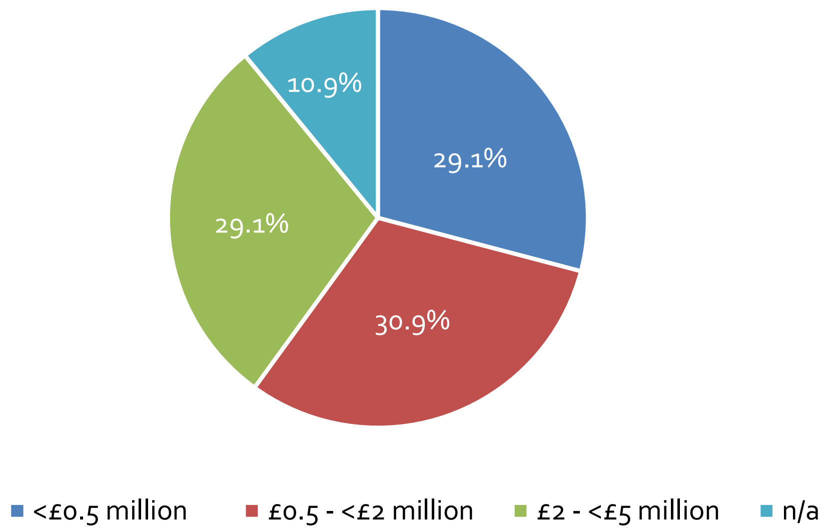
2.4.3. Budget level

The budget levels of all the films in the dataset were also analysed. The results reflected the qualitative findings of the consultations – i.e. budgets have been under significant pressure in the UK independent film sector. Of the budgets of debut films 29.1% were under £500,000, with 30.9% between £500,000 and £2 million. Of all debut films only 29.1% were in the £2 million to £5 million range – with no first features made at budgets higher than this.

For directors who did go on to make a second film, budget analysis of these films revealed some escalation in budget levels. For second films 9.1% were made between £5 million-£10 million and 5.5% at £10 million-plus.

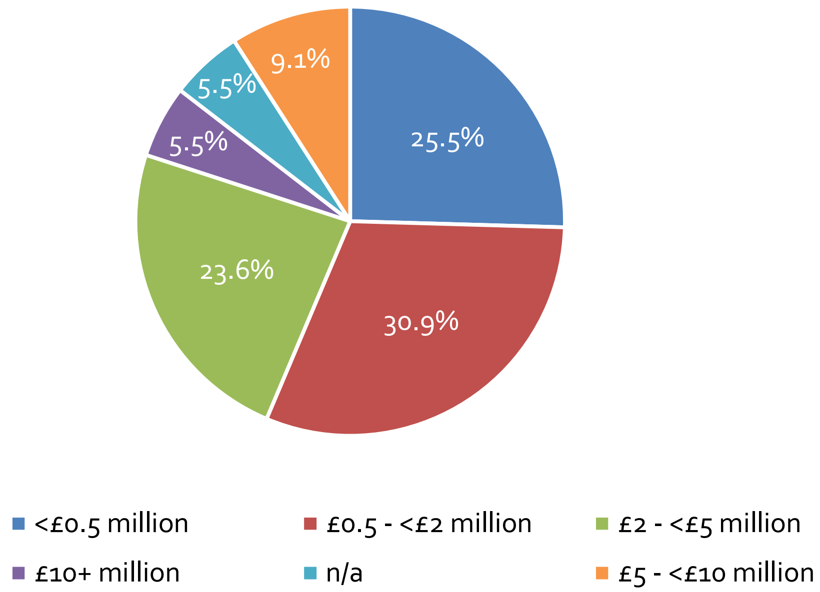
A large number were still produced at lower budget levels with 56.4% of second-time films made at under £2 million, compared with 60% of first films. With the proportion of films in the £500,000-£2 million band the same across both it is evident that slightly fewer second films are made at a micro-budget level – but that this budget band still represented just over a quarter of all production for directors at this stage in their careers. There is also a drop of production in the £2 million-£5 million band, from 29.1% of films to 23.6%.

Figure 11 – Budgets of Debut Films by Two-Time-UK Directors



Source: BFI / SPI analysis. N/A: budget not available.

Figure 12 – Budgets of Second Films by Two-Time-UK Directors



Source: BFI / SPI analysis. Note: does not total 100% due to rounding. N/A: budget not available.

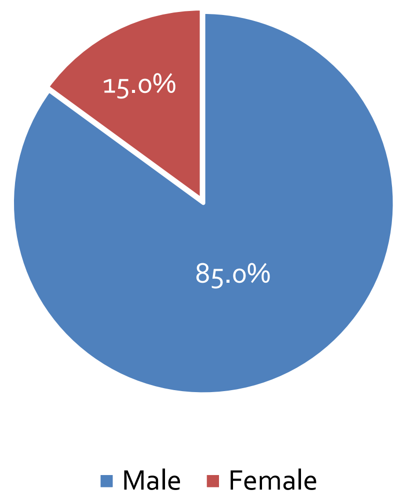
While a very small minority of directors showed a very high increase between first and second films – such as Rupert Wyatt, who followed independent film *The Escapist* with Studio production *Rise of the Planet of the Apes* – some continued to work at a similar level. As one funder outlined, directors are not likely to have the results from a debut to prove they can immediately work at a higher level in a very tight market.

Several consultees highlighted the fact that there is not a widespread expectation that film-makers will necessarily work with escalating budgets across their careers, instead moving backwards and forwards across budget bands depending on material. This trend is evident across both younger and more experienced directors and is partly related to the increased creative control that can be accessed on lower budgets.

2.4.4. Gender of director

Gender was found to be a major factor when assessing the dataset. Entrance to the industry as a director is heavily unbalanced, with only 15% of debut UK directors in the dataset female.

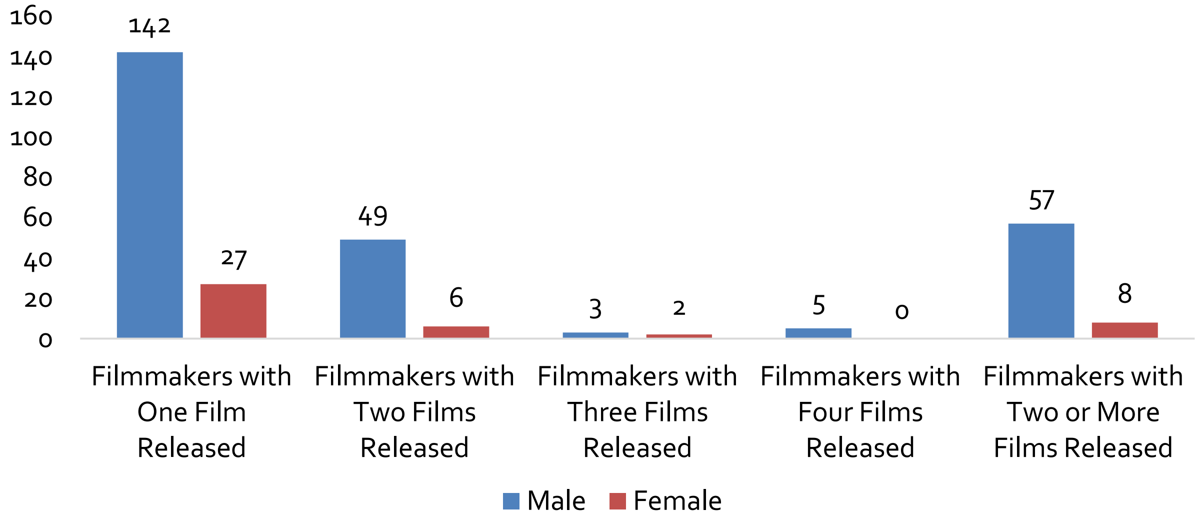
Figure 13 – Debut Directors of UK Independent Films Released 2006-2011 by Gender



Source: BFI / SPI analysis

Female film-makers were also less likely to direct more than one film. As outlined in the following figure, 16% of all one-time directors were female, while 12% of directors with two or more credits were female.

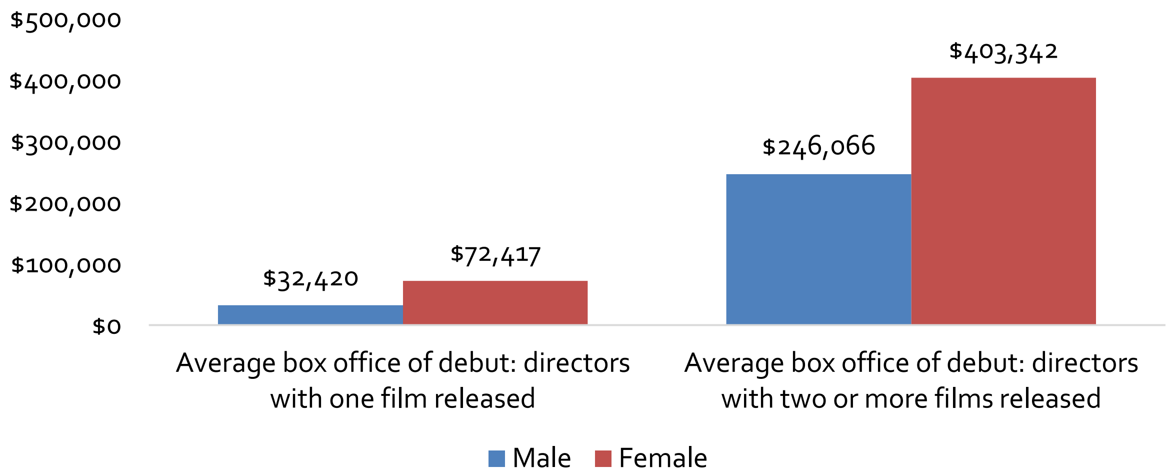
Figure 14 – Gender of UK Directors by Number of Films Released



Source: BFI / SPI analysis

Assessing the box office of debut films by gender, female directors also earn more than their male counterparts, with the median box office higher for one-time female directors and those with two or more films. This underlines the difficulties facing female film-makers: the average debut UK box office for a one-time female director in the timeframe was more than double that of a male one-time director.

Figure 15 – Median Average UK Box Office of the Debut Film made by One Time Film-makers and Film-makers with Multiple Releases, by Gender

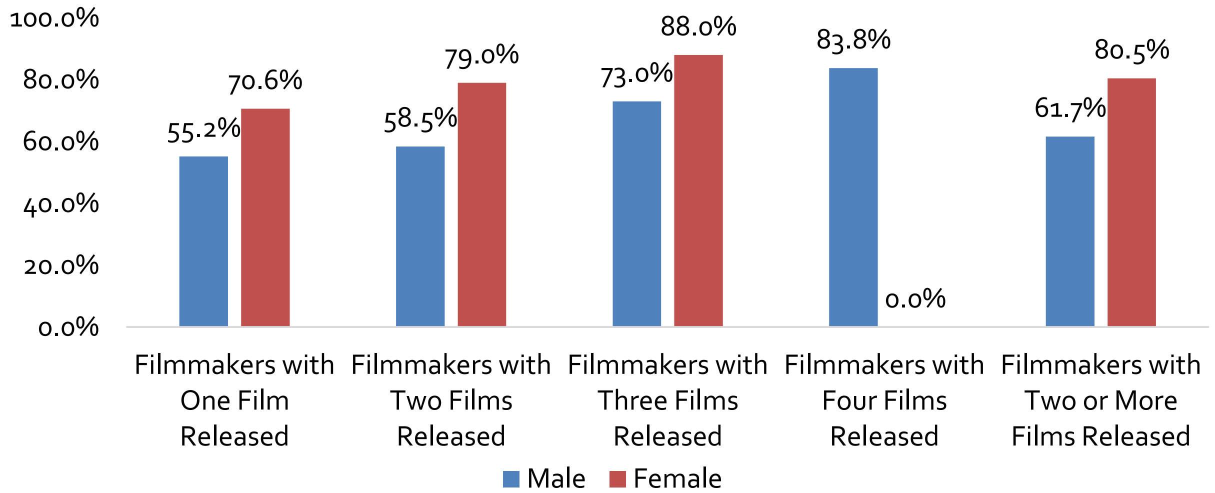


Source: Boxofficemojo.com / SPI analysis

Female directors were also found to have attained higher critical and audience ratings on Rotten Tomatoes and IMDB for their first films.

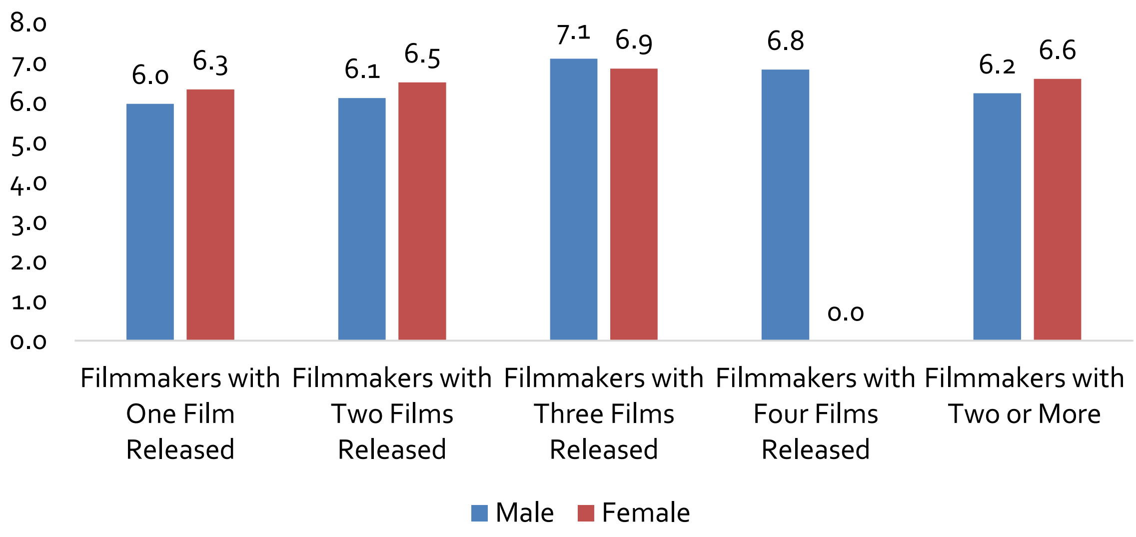
For film-makers with two or more credits, male directors had an average rating of 61.7% for their debuts, while female colleagues had an average rating of 80.5%. This could suggest that female directors need to attain higher critical ratings than their male counterparts in order to continue to make films.

Figure 16 – Critics' Rating of UK Directors' First Films by Gender and Number of Films, from Rotten Tomatoes



Source: Rotten Tomatoes / SPI analysis

Figure 17 – IMDB Rating of UK Directors' First Films by Number of Films and Gender



Source: BFI / SPI analysis

2.4.5. *The progress gap*

One factor that emerged through consultations was the effect of developing a project on a career lag. Directors described the experience of making their first film as being so all-consuming that a number were not in a position once the film was complete to start readying a second project. This can be exacerbated by the amount of travel and promotional work undertaken by some film-makers as their work moves through the festival circuit.

Therefore, a film-maker can find themselves at a standing start once a debut is complete, with a lengthy development process ahead of them. And of course, development is not guaranteed to result in a project going before the cameras.

Such a gap means that directors may not be in a position to be able to take advantage of any success – and subsequent industry attention, or buzz – garnered by a first project. The ability to use the existence of buzz strategically to set up further projects before it dissipates was considered to be key in sustaining a career.

It would appear that deciding on a second project can also take time. Some consultees described having passed on projects that were not felt to be right, and there is also an element of pigeonholing based on a first feature. Directors received similar projects even if there was no interest in continuing to work in a similar vein for a second film. This highlights the fact that the industry is focused on director track record and producers and financiers can seek to mitigate risk by seeking a director who may be able to repeat success in a certain genre. However, operating within these constraints can bring financial rewards: as one producer noted, some directors follow careers that do not necessarily lead upwards – but do pay.

One major issue for directors created by this gap is earnings. Directors finishing their first film – and who may not have earned much for that debut – face an average of 2.7 years before the release of a second. Clearly, this can be problematic from an earnings perspective and can result in film-makers moving into work in other sectors such as television and commercials.

While such work can be highly creative, it can also contribute to the gap between first and second film. Work in other sectors is further examined in the following section.

The issue of longer term gaps in feature film-making was also discussed with consultees. This raised an interesting discussion about the skillset of directors. From a skills perspective some felt that a director's unique talent – or 'eye' – was inherent and therefore unaffected by a gap. Others felt it important that film-makers continue to produce work, even in other sectors, in order to keep their film-making abilities sharp. While a gap between features was not felt to be especially detrimental to skills, technological changes in production techniques and workflows was highlighted as a potential, albeit minor, issue.

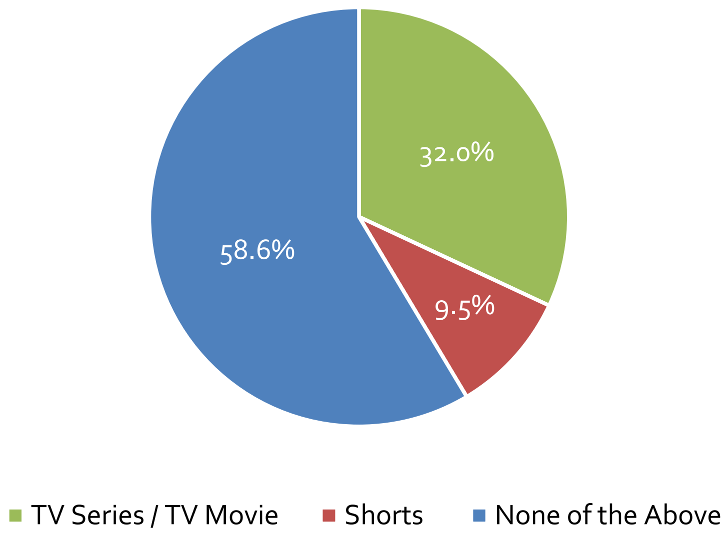
2.5. Work in Other Sectors

As outlined in the previous section, feature directors often move into other sectors. This can be related to a number of issues, including the need to make a living, or creative potential.

Where possible, the film-maker analysis tracked what debut directors did if they did not make another film looking at TV series / TV movies in the UK and overseas, shorts, or none of these. The results are outlined in the following chart, though it should be noted that there are certain limitations to this analysis. With a lack of information there are challenges in tracking one-time feature directors into other sectors, since credits in other areas are not always as visible as a film credit. Moreover, the analysis did not track film-makers if they subsequently directed commercials or theatre.

The analysis does show that around a third of one-time feature directors from the time frame subsequently went on to work in television. This corresponds with a feeling within the industry that there is very high porousness between the film and television sectors for directors. The rise of television drama and its effects on the feature landscape are explored in the following section.

Figure 18 – Project Following First Feature Film of UK One-Time Directors



Source: BFI / SPI analysis. Note: figures do not equal 100% due to rounding.

2.6. The Effect of High-End Television

The rise of High-End Television (HETV) has been pronounced over the Study timeframe, particularly in recent years. HETV now routinely attracts feature talent, on both sides of the camera, and there is increased convergence for directors, actors and crews. Such is the porousness between the two areas that one consultee suggested film and television drama should now be viewed together when considering career sustainability and related data.

In the UK, rising HETV production spend in recent years has been stimulated by new tax relief introduced in 2013. This helped generate £615 million in production spend in 2014 from 87 programmes, including *Downton Abbey*, *Wolf Hall*, *24: Live Another Day* and *Poldark.* Budgets in the HETV arena can be significant, and larger than those for independent films.

It is notable that several of the director consultees had worked across both film and television – including in high-end drama projects, either currently or in the past. The rise of HETV has been such that the sector was felt to have overtaken film as the funder and producer of mid-range drama projects. As such, it was felt that there can be more opportunities in TV than film for directors.

There has been a wider, corresponding, shift in production activity as a number of production companies expand their focus to include HETV.

Director consultees expressed a range of views on this trend. One film-maker with experience of both areas pointed out that film and TV offered different ways of telling a story, and that a career can be sustained across both.

In terms of career development and sustainability HETV may not supply directors with the same level of visibility that might result from a film project – although this can be seen as a benefit in the case of an unsuccessful production. However, payment can be more secure in television, with uncertainty surrounding the financing – and therefore the production – of independent features. Fees can also be higher, though it was noted that certain feature projects can pay well. One consultee suggested that TV could actually be a step up, rather than down, for independent film directors.

In terms of the craft of directing, there are obvious similarities between the production processes. There are also differences. One film-maker considered that HETV was less of a director's medium than film with an emphasis on writers and showrunners. Unlike a film project, a director may also not be the sole leading individual on set, sitting alongside a showrunner. Levels of creative freedom can also depend on whether a film-maker is the lead director. If a film-maker is coming in to direct a later episode in an established show many creative decisions may have already been made, with the actors knowing their characters already and a crew in place.

In 2014, director Paul Greengrass told *The Guardian* that directors in the UK television industry are increasingly hampered by "an alliance of over-mighty executives and powerful writers".[7]

Greengrass also pointed to the difficulty in building a television career as a director in the UK when compared with the US: "If it had been a director in the US making the first episode of *Downton Abbey*, who had been involved in setting the tone, casting the main roles, setting the whole thing up – that director would by right have shared financially in the success. That way you incentivise people who make a profound contribution. But what's the reality in Britain? When the BBC revived Doctor Who in 2005, the stunt co-ordinator made far more than the director of the first episode. It shows you just can't make a career here."

[7] *Paul Greengrass: British Film Industry Must Nurture Young Directors*. The Guardian, April 2, 2014.

Considering overlapping sectors, one consultee suggested that the real challenge for the future was helping directors move between screens – not just having the skills for film and television, but also for the web and other new formats.

2.7. Micro-Budget Schemes

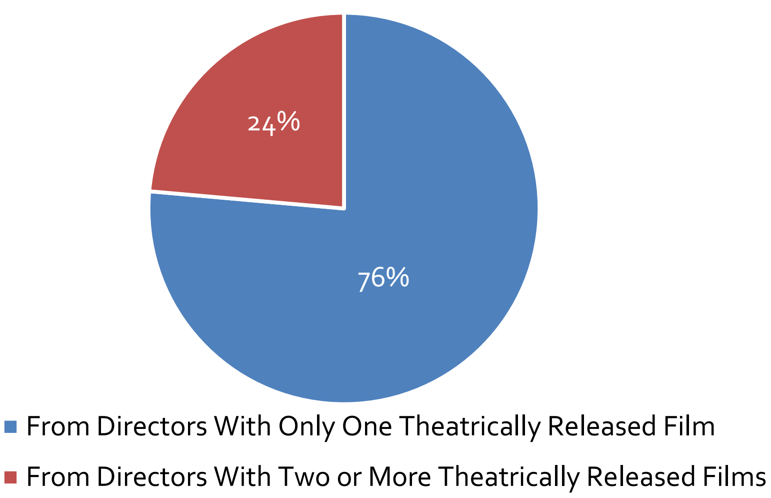
With the cost of digital film-making technology and processes decreasing, micro-budget film-making has been rising, with a number of schemes operating to support (or fund) film-makers through a micro-budget feature.

The high profile achieved by a select number of features made at this budget level have increased interest in the model. Several features made under these schemes, such as Eran Creevy's *Shifty*, Paul Andrew Williams' *London to Brighton* and Hong Khaou's *Lilting* attained theatrical release and attracted critical acclaim. There are also examples of established film-makers working at this level: for example Ben Wheatley's fourth feature, *A Field in England*, was reportedly made at a budget of £300,000.[8]

However, such successes would appear to be the exception. Data analysis shows that of the directors making a debut film with a budget under £500,000, only 24% went onto make a second film. This is slightly lower than the overall average, which saw 28% of directors make a second film.

The lower proportion would appear to suggest that the realities of making micro-budget films, where resources can be very stretched, can make it harder for the talents of directors to be successfully showcased than at higher budget levels. (Although one consultee did note that there was now a generation who understand this budget level and how to choose projects). It can also be a challenge for micro-budget features to attain theatrical release and gain traction in the marketplace.

Figure 19 – Proportion of Debut UK Directors of a Feature Budgeted at Less Than £500,000 Who Subsequently Made Two or More Films



Source: BFI / SPI analysis

Research on the UK's micro-budget schemes undertaken for this aspect of the Study is presented in Appendix One. The median budget range for films in the schemes is approximately £300,000. Though many have a remit for discovering new voices and supporting upcoming

[8] *Ben Wheatley explains A Field in England's Multi-Platform Strategy.* Screendaily, 5th July 2013.

talent, most schemes do not explicitly exclude experienced film-makers. The Welsh low-budget scheme Cinematic goes as far as requiring one of the applying team members to have a professional credit (for directors this means either a feature film or TV drama).

Though the director is a key factor in the application process in all of the schemes, a strong emphasis is given to collaboration. With the exception of Triangle (the remit of which is to group individuals from different specialities), Lo-Fi and Ridley Scott Presents, applications must be made as a team, with a producer, director, and writer on board, and with a minimum of two people. The group emphasis of most schemes demonstrates the importance they give to a core film-making partnership.

2.7.1. Short films and launching a career

To some degree there is a sense that micro-budget features have now taken the place of short films as calling cards for new directors. Cheaper technologies mean that making a feature may not be such a leap cost-wise from making a longer short.

The BFI does not track short film production so it was not possible to assess how short film production levels had been affected by the rise of micro-budget film-making. However, one consultee suggested that the volume of shorts had not necessarily dropped off or been devalued by micro-budget production – but that they were no longer the final step before a feature for emerging directors.

While short films and micro-budget features may provide the same function for first-time film-makers – i.e. developing and showcasing their talent – the previous success of micro-budget films may have increased expectation on film-makers working in this area. However, one consultee thought such expectations were now lower than they had been in the past, partly because so many micro-budget films are now being produced. The squeeze theatrical squeeze on independent cinema (see Section Three) has also made it harder for films to break out.

One interesting point of discussion is the concept of the first feature. Given cost reductions first features are now achievable for some directors than in the past. However, the fact these are being made earlier in a director's development means there is a linked danger in judging film-makers too early.

2.8. Sustaining a Career

It was clear from consultations with directors that success does not necessarily lead to long-term career sustainability. The marketplace is focused on performance and track record and directors are often judged on their previous film – just as first-timers are.

Indeed, there is a certain amount of overlap in the issues facing emerging and more established film-makers. One experienced director noted the importance of incredible talent, a knack for choosing material and an element of luck in sustaining a career – all points that would be just as relevant to the first-timer as the mid-career film-maker.

Another factor that can be vital to both is buzz. One consultee suggested that stratospheric success might buy a director 10 years of attention, with lesser success affording six months to two years of attention. It is clear that buzz can dissipate and the challenge of sustaining a career can also be the challenge of sustaining buzz. Several consultees spoke of the need for directors to also understand how to utilise such attention strategically – for example, by using the attention attracted by a successful release to quickly secure backing or partnerships for subsequent projects.

One director with several credits described assessing material based on its likely ability to lead to a subsequent film. For some directors, however, the realisation of how moments of attention might have been more effectively utilised only comes with hindsight.

Aside from maintaining buzz and utilising its benefits strategically, consultees pointed to a number of other factors considered to be important in sustaining a career. For example, remaining visible in the industry and being proactive in project selection and development were considered important. Relationships were also described as key – both professionally, with producers, writers and so on, and also on a supportive level, such as with other film-makers. One consultee cautioned that directors should not assume relationships would necessarily continue if not fostered.

Given the fierce competition in the field from other directors, resolve and proactivity are also vital – and there are several examples of directors successfully reinventing themselves and attracting renewed interest and buzz.

2.9. Comparative Territories

The research process also considered the situation for directors in other territories, with a view to assessing overlapping trends and barriers to sustainability.

Consultations surfaced a number of pertinent points, such as the movement of talent overseas. One consultee suggested that UK directors, because of their shared language, are sometimes able to move up to large-scale big-budget Hollywood film-making very quickly after one or two impressive films.

While there is a similar movement of directing talent away from other European territories with strong local production sectors – particularly in Denmark, Sweden and other parts of Scandinavia – it was felt that directors would not necessarily get the opportunity to work overseas at such an early point in their careers, meaning a higher level of experience would have been developed before such a move. By this point such directors may also have built a strong profile and network in their home territory to which they can return.

The status of the director was also a discussion point, with some consultees pointing to a perception that other territories hold directors in higher esteem than the UK – particularly France. One interesting point relating to the situation in France is that the focus is very much on the director's third film, which is regarded as the stage at which film-makers should fulfil their vision. However, it would seem that France also recognises a drop-off at various stages of a director's career.

Meanwhile, the trend towards porousness between film and television is also evident in other territories, such as Denmark.

While comparing the UK data from this Study with other territories was difficult because of a lack of consistency, data findings relating to France and Sweden are presented in the following sections.

2.9.1. Volume of first-time directors

Data published by the CNC in France shows that 32.5% of approved 'French initiative films' in 2013 were first films (68 films), compared to 36.8% in 2012 (77 films).[9] There were comparatively fewer films from second-time directors in the same year, with 39 French initiative films second films representing 18.7% of all approved French initiative films (17.2% in 2012).

Looking at the data in the following figure around 50% of French initiative films are made by first and second-time directors annually, though the proportion did rise as high as 62.6% in 2009. Therefore, around 50% of French initiative films are produced by directors further along in their careers.

Figure 20 – Volume of First and Second Approved French Initiative Films

	First films		**Second films**	
	Total	% of FIF	Total	% of FIF
2004	54	32.3	35	21.0
2005	69	36.9	34	18.2
2006	56	34.1	27	16.5
2007	72	38.9	32	17.3
2008	74	37.8	31	15.8
2009	77	42.3	37	20.3
2010	63	31.0	33	16.3
2011	73	35.3	37	17.9
2012	77	36.8	36	17.2
2013	68	32.5	39	18.7

Source: CNC. Notes: FIF refers to French Initiative Films – i.e. French-produced films.

[9] *Results 2013*. CNC, May 2014.

Meanwhile, data from the Swedish Film Institute shows that 54% of production funding from its commissioners was channelled to first-time film-makers in 2013.

Figure 21 – Percentage of feature films with production funding from a Swedish Film Institute commissioner with a first time director (2009-2013)

	2009	2010	2011	2012	2013
Fiction feature	39%	33%	43%	26%	54%

Source: Swedish Film Institute

2.9.2. Budget comparison

Budget data show that the average budget for all French initiative films was €4.88 million in 2013, with the average budget for first films €2.45 million – down from €3.22 million in 2012. However, average budget for second films was lower, at €0.34 million in 2013.

While the data may not be directly comparable, the average budget level of €4.88 million is higher than the UK, were the median budget of a film budgeted at over £500,000 was £1.17 million in 2013 – or around €1.6 million.

Like the UK France is also seeing a decline in medium-level production, with a drop in the number of films in the €5 million-€10 million since 2010. Micro-budget production has also been rising – with 54 films budgeted at under €1 million in 2013 – up from 20 in 2004.

Figure 22 – French Initiative Films by Budget

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
>€10m	24	22	24	28	35	25	28	28	33	19
€7m-€10m	9	17	21	21	25	21	24	24	22	29
€5m-€10m	33	21	12	20	11	18	30	26	22	17
€4m-€5m	16	7	7	9	17	9	16	12	3	11
€2m-€4m	32	46	37	43	41	45	47	41	46	47
€1m-€2m	33	33	35	29	23	36	18	29	25	32
<€1m	20	41	28	35	44	28	40	47	58	54
Total	167	187	164	185	196	182	203	207	209	209

Source: CNC

3. THE UK INDEPENDENT PRODUCTION LANDSCAPE

In addition to the analysis of director's careers, an assessment of the wider UK production landscape was undertaken. This included analysis of production levels and sources of financing, in order to understand the wider production issues that may be affecting film-maker progression.

3.1. Overview

Over the time period of this Study the volume of domestic UK features has risen faster than spend. This means that although more films are being made, they are being made at lower budgets. This reflects information gathered during consultations that budgets in the UK independent sector were under pressure.

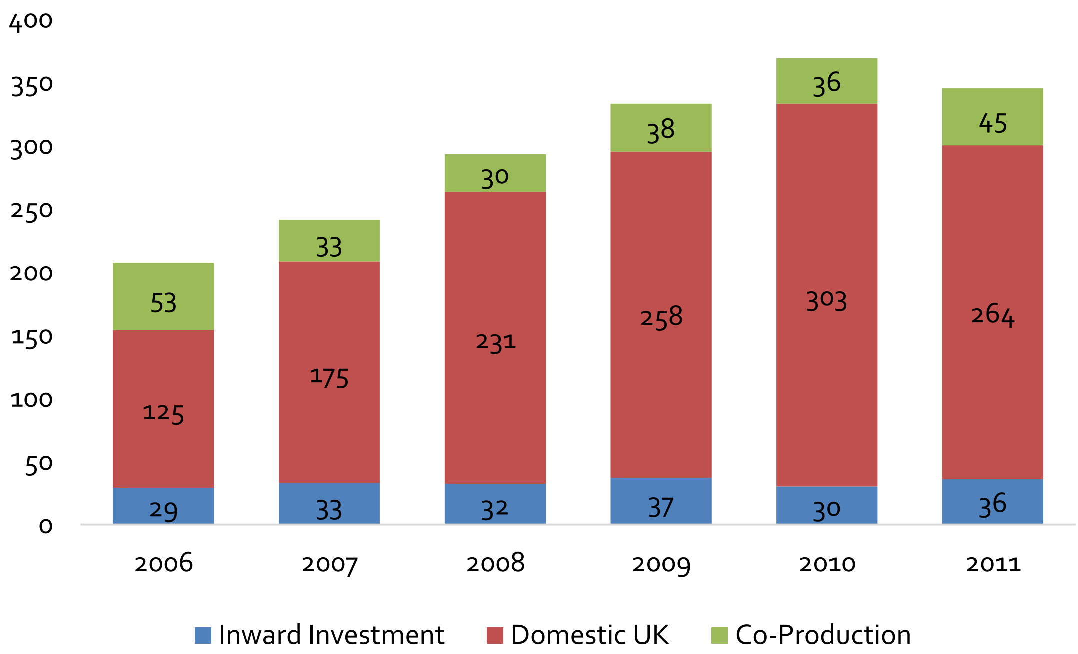
3.2. Production Volume

Despite pressure on financing sources, the number of feature films made in the UK rose significantly over the Study timeframe. The majority of this growth was driven by domestic UK productions made at any budget level, which rose from 125 in 2006 to 264 in 2011, according to BFI data.

Such growth is related to a number of factors, including the increased accessibility of film-making tools through lower-cost digital technology. This growth is outlined in the chart below, although it should be noted that this represents all films produced over the timeframe, rather than released.

A rise in inward investment features is also evident, though this is less pronounced than domestic. Co-productions have remained relatively static through the timeframe.

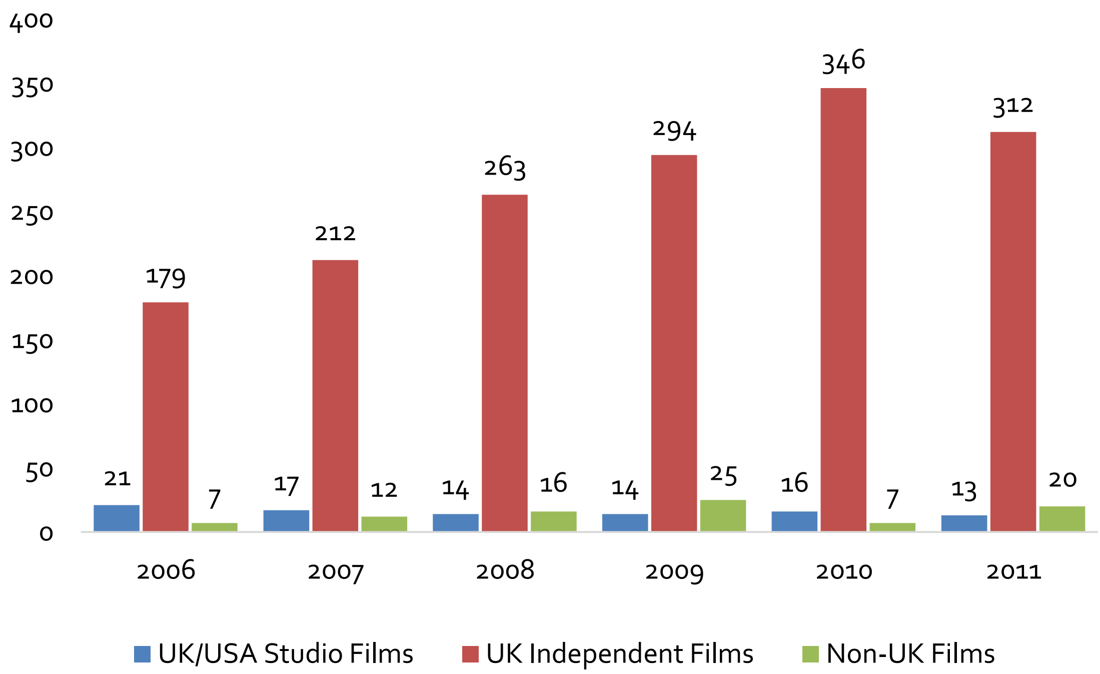
Figure 23 – Number of Feature Films Produced in the UK, 2006-2011



Source: BFI

BFI data also show that UK independent films account for 86.5% of all films produced in the UK in 2006, rising to 90.4% in 2011. This represents 179 independent films made in 2006, rising to 312 in 2011.

Figure 24 – Numbers of UK/USA Studio and Independent Films, 2006-2011



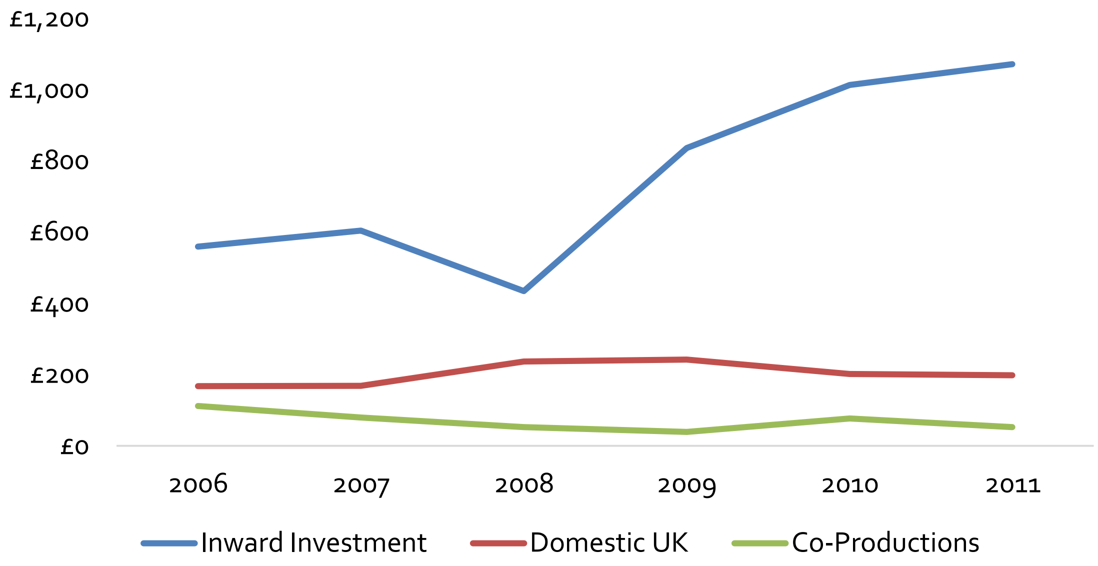
Source: BFI

3.3. Production Spend and Budgets

While the previous charts outline a significant rise in production volume this has not been matched by a rise in production spend. According to the domestic UK production data in Figure 23 the compound annual growth rate between 2006 and 2011 was 16.1%. The equivalent growth rate in production spend for domestic UK films, as outlined in Figure 25, stands at just 3.5%.

While production spend of films produced in the UK rose from a total of £837 million in 2006 to £1.3bn in 2011 the bulk of this increase was contributed by rising spend from inward investment projects. As shown in Figure 25 there is a clear rise in inward investment spend in response to the introduction of the new Film Tax Relief.

Figure 25 – UK Production Spend of Feature Films Produced in the UK (£m)



Source: BFI

The data here represents all films produced, so is therefore not directly comparable with the data analysis in Section 2, which focuses on films released theatrically. Nevertheless it is clear that more films are being made, but at lower budgets.

The fact that budget levels are under pressure points to difficulties in the UK film financing landscape, which has been hit hard in recent years on a number of fronts.

The global financial crisis of 2007 has affected a range of financing sources, while the industry's shifting economics have also had a significant effect on the independent sector. For example, the business has seen a major decline in the DVD market, which has had the effect of reducing minimum guarantees. At the same time, the growth in Video on Demand (VoD) has not provided adequate mitigation for decreasing downstream revenues. Presales have also become very difficult without name cast or director.

In terms of specific budget trends in the UK there is a view that the middle ground – i.e. features in the £5 million-£15 million bracket – has shifted to TV. One consultee described a view that budgets needed to be less than £2 million, or in the £5 million to £7 million bracket, in order to secure cast and ensure marketing. The value of projects is very dependent on cast, with projects budgeted at the £3 million-£4 million range considered tricky in terms of securing the scale of cast needed to attain a potential return on investment.

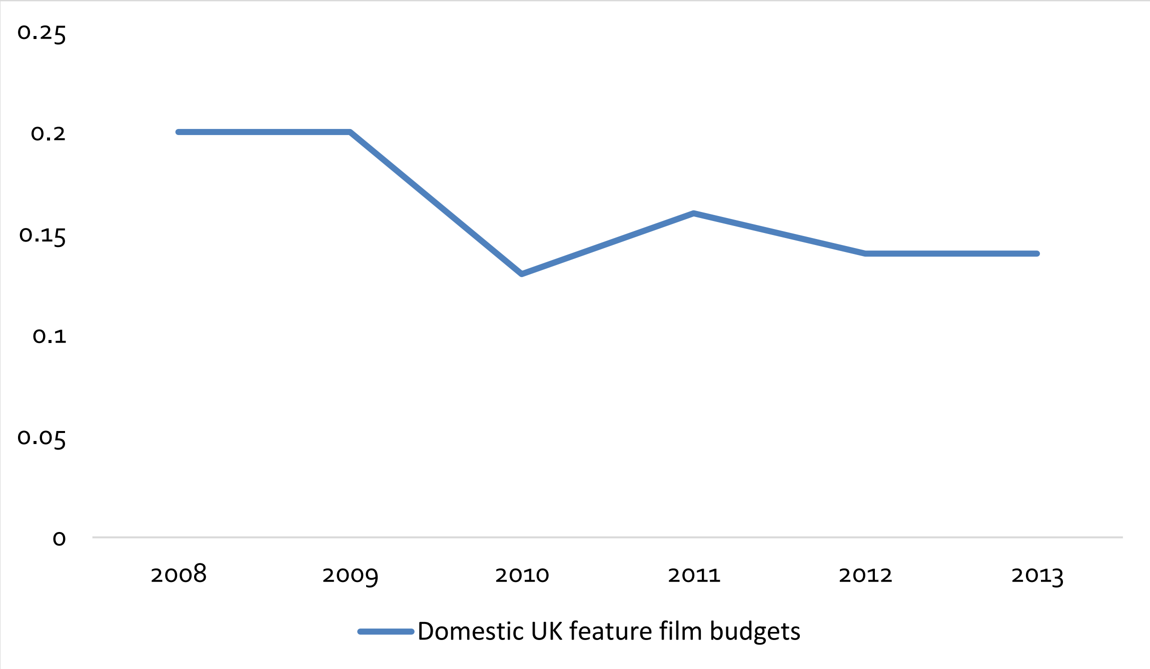
While a certain degree of overall year-on-year budget fluctuation is to be expected BFI data highlight the general downwards pressure on budgets. Data presented in the BFI 2014 Yearbook shows that the median average budget of a domestic UK feature was £140,000 in 2013. This is down from an average of £200,000 in 2008 and 2009.[10] (It should be noted that this data is not

[10] The median is the middle value – i.e. there are an equal number of films above and below the median. According to the BFI 2014 Yearbook the median is considered to be "a better measure of central tendency than the average as it avoids the upward skew of a small number of high budget productions".

directly comparable to this Study's data analysis since it focuses on films produced rather than released.)

Consultations underlined that a trend towards lower budget levels is being felt across the industry, and on mid-range projects in particular. It was also suggested that financing pressure is ultimately bearing down on the final 20% of budget.

Figure 26 – Median Domestic UK Feature Film Budgets, 2008-2013 (£m)



Source: BFI. Note: Includes films with budgets of less than £500,000

Median budgets for inward investment features were lower in 2013 than they were in 2008 – at £13.7 million compared with £17.2 million. Annual fluctuation is evident across the time period, with the median budget at £18.8 million in 2011 and £3.8 million in 2012.

Co-productions, however, saw a higher median budget in 2013 than in 2008 – at £2 million, compared to £1.4 million. Again, annual fluctuation is evident.

3.3.1. Analysis of independent feature budgets and the £500,000 threshold

The data in the previous section focuses on domestic UK features – defined by the BFI in its 2014 Yearbook as "a film made by a UK production company that is produced wholly or partly in the UK".

The domestic UK definition can include projects with Studio involvement. To fully assess independent budget trends relevant to this Study, further analysis was undertaken into data supplied by the BFI on the median budget levels of films classified as independent and UK – i.e. without any Studio involvement. Independent film is defined by the BFI in its 2014 Yearbook as "produced without creative or financial input from the major US studio companies." The UK independent definition is therefore a segment of overall UK film.

The resulting data on independent films was then categorised according to whether the films were domestic UK, co-productions, or inward investment projects. It should be noted that the data set includes all films tracked by the BFI as having been produced, rather than released.

This analysis also considered independent UK films made above and below £500,000, which is assumed to represent a divide between micro-budget and non micro-budget film-making.

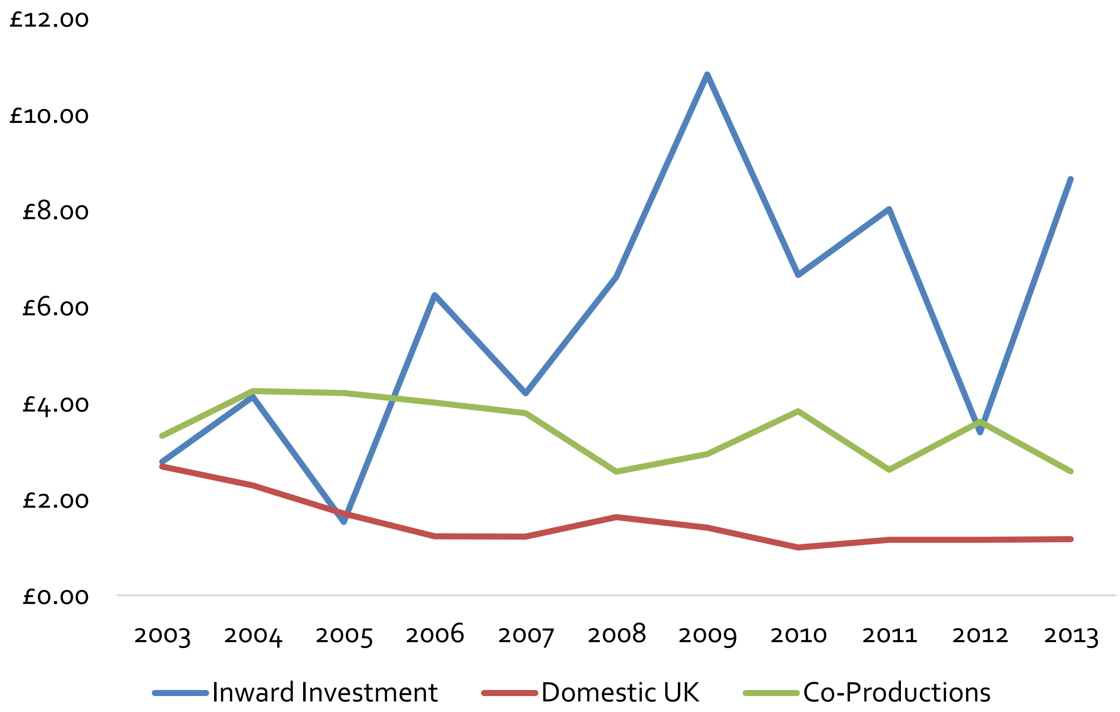
Within the UK independent film definition, domestic UK films with budgets higher than £500,000 have seen a steady decline (with some annual fluctuation) in median budgets over the decade to 2013 – from £2.68 million to £1.17 million. However, Figure 27 does show something of a stabilisation across 2011-2013. Co-productions and inward investment UK independent films do not show such a pronounced reduction, with inward investment actually rising over the timeframe, with year-on-year fluctuation.

For UK independent films under £500,000 the average median budget of a domestic UK film is significantly below this threshold – at £0.097 million in 2013. This budget level was actually a significant rise on the three previous years, with some fluctuation evident in budget levels over the previous decade.

Data on co-production and inward investment UK independent films were grouped by year for disclosure reasons. Co-production budgets were an average of £0.2 million between 2003-2011, rising to £0.222 million in 2012 and falling to £0.1 million in 2013. Inward investment budgets stood at £0.15 million between 2003-2011, dropping to £0.13 million in 2012 and 2013.

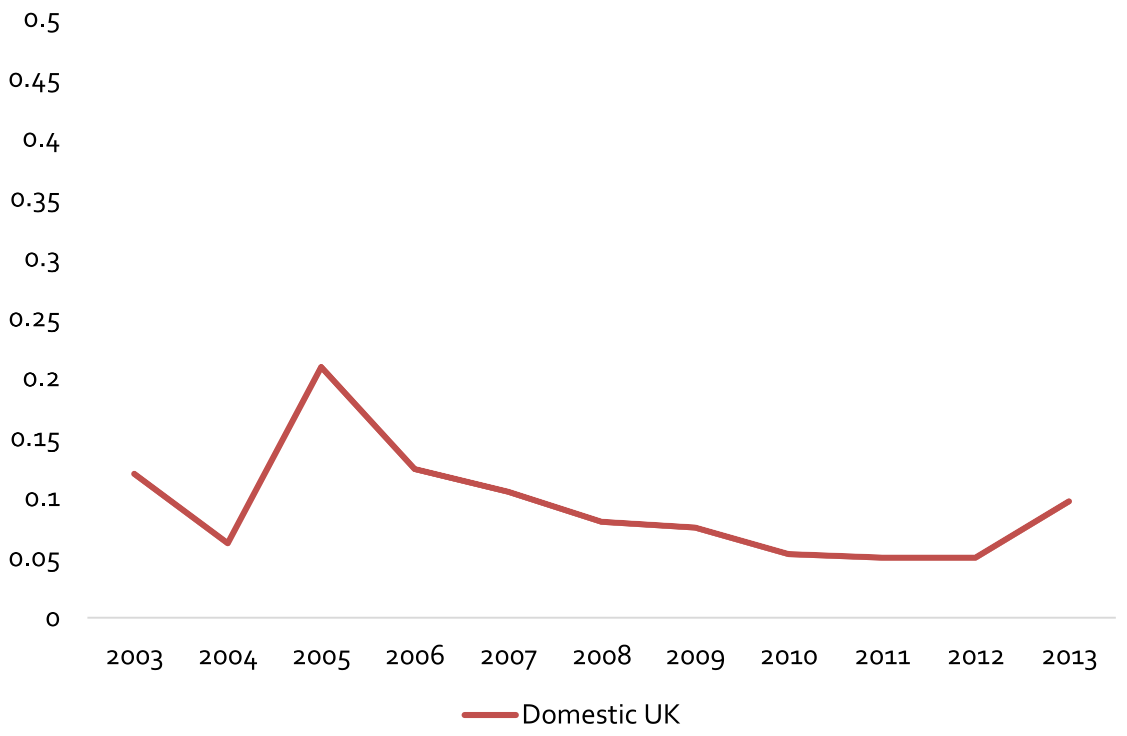
Given the budget differences above and below the £500,000 level it may be constructive for the BFI to consider tailoring its data releases further to supply insight into both levels, in order to provide a more rounded picture of production trends.

Figure 27 – Median Budget Level of UK Independent Films Budgeted at Over £500,000, 2003-2013



Source: BFI

***Figure 28 – Median Budget Level of UK Independent Domestic UK Films Budgeted at under £500,000, 2003-2013*[11]**



Source BFI

Figure 29 – Median Budget Level of UK Independent Co-Production Films Budgeted at under £500,000, 2003-2013

Year	2003-2008	2009	2010	2011	2012	2013
Median budget (m)	0.254	0.200	0.116	0.206	0.222	0.100

Source BFI.

Figure 30 – Median Budget Level of UK Independent Inward Investment Films Budgeted at under £500,000, 2003-2013

Year	2003-2011	2012	2013
Median budget (m)	0.15	0.13	0.13

Source BFI. Some years have been grouped by the BFI for disclosure reasons.

[11] It should be noted that data on films with a budget of below £500,000 prior to 2008 is not comprehensive because the BFI did not actively collect information on these films.

4. DISTRIBUTION AND EXHIBITION OF UK INDEPENDENT FILM

Detailed analysis of the UK distribution and exhibition sectors was also undertaken in order to understand the issues facing UK independent cinema and its directors. This identified a number of key trends across both sectors, several of which overlap.

4.1. Distribution Analysis

It is clear that for producers and distributors of independent UK cinema reaching audiences has become more difficult. This is true across all platforms, but particularly in the theatrical marketplace, which is saturated with releases.

BFI data show that there were 698 films released at the UK and Ireland box office in 2013 – a rise of 182 films on the number released theatrically in 2007 (516). This averages out to over 13 releases per week across the year. With competition increasing, gaining market profile is difficult for all films – but this is particularly true for those independent releases that tend to have a more limited release than studio films.

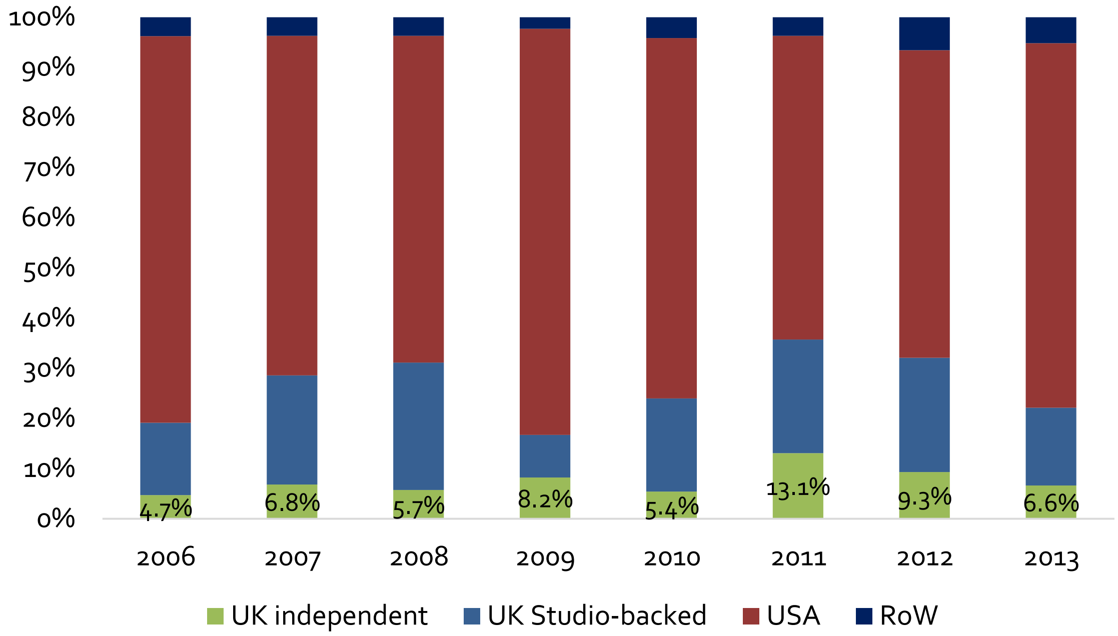
Against this backdrop, UK independent films struggle for market share in UK cinemas. According to BFI data for 2013, UK independent films represented 17.6% of all films released, but claimed a box office share of just 6.6%. This points to the fact that even if a film is able to overcome the release hurdle – i.e. a distributor decides to invest in its release at a time when independent releases are facing unprecedented pressure – this is no guarantee of box office success.

There are in fact two hurdles that independent films must overcome – being considered worthy of release, and attaining success upon release. Unfortunately, the pressure on distribution and exhibition described in this chapter means that gaining market traction is becoming more and more difficult – as evidenced by the fact that the overall proportion of UK independent film releases is lower than their share of the box office.

The market share of UK independent films is outlined below, with UK Studio-backed films and films from the US and the rest of the world included for comparison.

Looking across the timeframe of the Study there is some fluctuation in market share. However, this is related to the success of individual films with just one breakout film able to alter the market share level quite significantly. For example, the high proportion of UK film in 2011 – at 13.1% higher than any other year in the decade up to 2013 – reflects the success of *The King's Speech* and *The Inbetweeners Movie.*

Figure 31 – Market share of UK Independent Films, 2006-2011



Source: BFI

Pressure is bearing down on the market share of UK independent films from a number of fronts. Firstly, the rising production levels outlined in the previous section means there is more competition for theatrical slots.

The advent of digital distribution has also seen the sector change rapidly in recent years. One key issue has been the high-profile rise of alternative content. This has been a major trend, with one-off experiential consumption proving highly popular in the theatrical space. The strength of this trend was underlined in September, 2014, when *Billy Elliot the Musical – Live* became the first event cinema number one. A live stream from London's Victoria Palace Theatre, *Billy Elliot* earned £1.904 million.[12]

The rise in alternative content provides further competition for audiences in an already fiercely competitive marketplace. Moreover, alternative content often provides audiences with a pre-existing, known product – unlike many original UK independent films.

Another issue seems to be the overlap between high-budget 'intelligent' blockbusters such as Christopher Nolan's *Interstellar* and the kind of audiences and screens that might also be looking at UK independent film.

A symptom of this pressure is the fact that it is harder for films of all kinds of films to stay on screens. According to Rentrak data presented in the Film Distributors' Association Yearbook 2014 only 3.9% of all releases in 2013 managed to sustain a theatrical run of longer than six weeks.

While this is relevant for all films, it is expected that this could be particularly problematic for work from new directors in the UK independent sector which, given the rapid screen churn, has a limited opportunity to build audiences through word of mouth. With shorter theatrical

[12] *Billy Elliot levels the Equalizer at UK box office*. Screendaily.com, 30th September, 2014. http://www.screendaily.com/news/billy-elliot-levels-equalizer-in-uk/5078046.article

engagements there is limited time for audiences to gradually discover a new work – essential for an independent film distributed with limited marketing resources.

Cost of release is also a major issue for independent film. Figure 32 outlines the fact that there is a correlation between a film's budget and its release cost – with films budgeted at over £10 million costing many times more to release than low-budget work. This points to the challenge facing independent film in raising audience awareness, and being available for audiences to access on screens, when compared to the resources available to films with higher budgets.

The BFI data show an average release cost across all budget bands of £0.56 million. This underlines the significant investment required from distributor – and why a theatrical hurdle exists in the first place. However, one consultee did not that in terms of access, market entry costs have reduced, with prints costing less than in the past.

Figure 32 – Estimated release cost by budget for UK films, 2013 (£m)

Budget (m)	Number of films	Average release cost (m)
£10+	20	£2.23
£5-£9.9	9	£0.85
£2-£4.9	21	£0.67
£0.5-£1.9	33	£0.07
<£0.5	41	£0.03
All films	**124**	**£0.56**

Source: BFI

Without further, detailed analysis of the individual films in the BFI dataset it is not possible to be conclusive about the optimal level of spend required to make an impact with low budget UK films at the box office. While the average release cost for films budgeted under £0.5 million is £0.03 million the average level of impact or box office return that resulted from this investment across the 41 releases is not known. Distributor investment is related to a number of factors specific to each film – and a film's impact is not always directly related to its release cost, with the potential to attract audience interest through critical attention or social media buzz.

The fact that 41 films with budgets under £0.5 million were released in 2013 – higher than any other budget category – underlines the volume of competition from low-budget UK releases in the theatrical market. Clearly, it is difficult for films to find a foothold in a crowded theatrical marketplace, which affects potential to attain box office and critical attention.

Against this background there have been calls for more flexible cinema ticket pricing to reflect the disparity between budgets (and release resources) of different titles, and to stimulate audience interest in UK independent releases. Ticket pricing for alternative content and event releases, and for projection using technologies like 3D and High Frame Rate (HFR), already demonstrate some audience acceptance of price elasticity.

The pressure on independent cinema in the theatrical marketplace is likely to increase in the coming years. A presentation given by Vue Entertainment International Founder and CEO Tim Richards at the Screen International Film Summit in December, 2014, pointed to a particularly strong slate of Hollywood studio blockbusters over the coming years – including new instalments in major franchises such as *Bond*, *Star Wars*, *The Hunger Games*, *Avatar*, *X-Men* and *Ice Age.*

Moreover, the trend is towards such releases being spread across the year – further limiting breathing space.

5. CONCLUSIONS

Lack of Sustainability

Career sustainability can be highly problematic for film directors in the UK, and the issue is as relevant for emerging film-makers as it is for established directors. Film-making is a costly and high-risk undertaking and the commercial industry is cautiously focused on the track record of talent as a way of mitigating risk. This means that directors have limited room to make mistakes and even mid-career directors with previous successes are judged on their previous film.

BFI data on UK independent films analysed for this project underlines the fact that the majority of first-time UK directors – 72% – did not go on to make a film within the Study timeframe. At the same time the proportion of film-makers who do go on to have careers that see them releasing regular feature films is comparatively minimal. Only 24% of directors released two films in the timeframe, with 2% making three and 2% making four.

There are complex, interlocking reasons for the lack of sustainability. Some factors are related directly to each specific film in the timeframe – for example, if it did not perform at the box office and attracted negative reviews – while others relate to wider issues in the UK film landscape.

Pressure to Perform

A very clear factor in sustainability is commercial and critical success. Film-makers that released a second film in the Study timeframe generally had performed to above average levels at the box office and critically with their debuts. However, for film-makers whose debuts do not perform to this level the industry can be unforgiving.

The pressure on performance is a particularly relevant issue in the current UK independent film landscape, which is seeing a perfect storm of issues across production, distribution and exhibition. Financing difficulties have led to a marked downwards trend in terms of budget levels, while there has been a rise in production volume at a time when UK independent film is seeing its traction in the theatrical market squeezed.

Against this backdrop it can be hard even for high-quality work to attain visibility – for reasons beyond the control of the film-maker. As one director pointed out, there are film-makers whose work is highly celebrated today, but who found that work considered a failure at the time of its release because of its failure to align with the zeitgeist.

Given the sheer volume of competition from other directors and the industry's focus on new talent first time directors can therefore feel discarded before they may have had a chance to fully develop. Some directors pointed to a steep learning curve on a debut film that gave them insight, experience and confidence to make better decisions with a second film. But a second opportunity is not always forthcoming, with the sense that funders often opt for an untested new director over a second-time director of a less-than-stellar debut. Several directors consulted for this Study felt that a second film was harder to make than a debut.

The public funding sphere is more focused on career development of film-makers than the commercial sector, and directors considered to be highly promising can find some incubation from the realities of the market. Directors who are not considered in this way can feel frustration, however.

Issues Relevant to Emerging and Established Film-makers

There is overlap between many of the sustainability issues faced by emerging and established directors alike – namely the industry's cautious focus on a previous film. With this in mind, any success – and resulting buzz – can be essential in creating sustainability. It is clear that successful directors are able to utilise the presence of buzz strategically at the right time to further their careers. Missed opportunities may be realised in hindsight, however.

Another overlapping issue is pigeonholing – with directors feeling that the industry expects them to continue working in a similar vein.

Gap Between Releases

One major sustainability issue is the gap between film releases. This Study identified an average gap of 2.7 years which can make it very difficult for independent directors to earn a living from features – not least because of the fact development may not be very lucrative. A proportion work as writers, or in other sectors such as television which can be lucrative and creatively fulfilling but can serve as something of a distraction, and have become highly competitive.

One factor in this lag is the 'development gap' – the fact directors may have been so busy on a feature that they may not be prepared with a follow-up project at the right time. This may mean that are not able to take advantage of any buzz that has accrued for the current film.

Pressure on Budgets and a Squeezed Market

In terms of factors in the general production landscape financial pressures have squeezed budgets and there is no longer an expectation that budgets will rise across a director's career. Some film-makers have already adapted to this, and have shown willingness to work upwards and downwards in terms of budget levels.

Overlap with Television Drama

A major trend relevant across the Study timescale is the rise of HETV. This appears to have claimed the middle-ground level from the film sector, with significant amounts of drama production currently taken place in the UK. This has created opportunities for directors, and one consultee thought the two sectors should now be viewed side by side when considering the careers of directors – such is the porousness that now exists.

In terms of overlapping sectors, one consultee suggested that the real challenge for the future was helping directors move between screens – not just having the skills for film and television, but also for the web and other new formats.

The Rise of Micro Budgets

At the other end of the scale there has been a rise in micro-budget film-making, with directors now finding that a feature film can be as accessible cost-wise as a longer short. This has meant that the concept of the first feature has shifted in definition over the past decade, and given the constraints such films can be made under expectations may be misaligned given the breakout success of a small number of micro-budget films. One consultee thought expectations were now more realistic given the rise in production.

6. APPENDIX ONE – MICRO-BUDGET SCHEMES IN THE UK PRODUCTION SECTOR

As part of its research for this project, and to further understand routes into the industry and trends in production and budget levels, Olsberg•SPI undertook a market analysis of schemes within the UK that focus on the production of micro-budget features.

6.1. BFI – Production Funding for First Features

The BFI's Film Fund has developed a special assessment process for features from first-time directors at quarterly intervals. The BFI created this initiative due to the high level of first-time film-makers that applied to the general fund and believed that a more structured approach to first-time directors would be beneficial for all.

Who is Eligible?

- Aimed at producers working with a director on their first feature.
- Strongly encourages applications from producer-writer-director teams.
- Applications will not be considered by individuals acting as sole writer, director, and producer.
- The film must qualify for certification as a British film.

How Does it Work?

- Applications are made online on a quarterly basis.
- Email is sent within eight weeks to inform applicants of the decision. If interested the BFI will ask to see further information for consideration and schedule a meeting.
- Based on the meeting and further information provided, the BFI decides whether to take the application forward or not.
- If the decision is made to take the project forward a letter of intent for funding is given to the team, which can be used by the applicants to search for further finance.

Key Funding Stats

- First time films must be budgeted at under £2,000,000.

Credits

- Recent funding announcements include:
  - *A Patch of Fog* – Director: Michael Lennox
  - *Beast* – Director: Michael Pearce

6.2. iFeatures

Creative England's low-budget film-making initiative. Currently in its third edition, it supports the development of 16 projects and the production of three micro budget films with a budget of £350,000.

Who is Eligible?

- Film-making teams (writers, producers, and directors) with a minimum of two people and maximum of four.

- Particularly targeted at emerging writers, directors, and writer/directors who have yet to make a feature.
- Film-makers from all over the UK, but the project must be firmly rooted in the English regions outside of the M25.
- Applicants should have evidence of a successful track record in shorts, television/online drama, theatre, commercials, music promos, documentary, artist film and video and/or other related media.
- Film must be capable of qualifying as a "British Film" under the DCMS/BFI's Cultural Test.
- Film on delivery must qualify for a certificate from the British Board of Film Classification not more restrictive than "18".

How Does it Work?

- Following applications, 16 film-making teams are chosen to be a part of an initial development programme of eight weeks.
- Eight of the 16 film-making teams are selected to go on to the full development programme of 14 weeks.
- Three of the eight projects may be greenlit.
- BBC pre buys exclusive UK free TV rights (which forms part of the finance for the budget of the film).

Key Funding Stats

- **Development Funding:** £3,000 during the initial development programme; £12,000 during the full development programme.
- **Production Funding:** £350,000 for each greenlit project.
- **Distribution Funding:** Projects receive distribution / exhibition support via the BFI audience hubs, and online platforms such as BFI player and BBC iPlayer.

Credits

- The Goob (2014)
    - Directed by Guy Myhill. UK rights acquired by Soda Pictures.
    - Accepted into the 2014 BFI London Film Festival.

6.3. Lo-fi – The Low Budget Scottish Initiative

Launched in 2012, Lo-Fi aims to find exciting new work, by up-and-coming film makers that can be made at a micro budget level. It is a development initiative with the intention of preparing projects for production financing. Supported by Screen Academy Scotland, Edinburgh Napier University and BBC Scotland among others.

Who is eligible?

- Up-and-coming film-makers who have made a minimum of two short films that have each been screened in at least one international festival.
- Can apply as a team or as an individual.

- Production company or main applicant should be based in Scotland; films must be made in Scotland.

How does it work?

- Workshops are run in two distinct phases:
- **Phase 0.1**: Between three to seven low-budget screenplays are developed over three workshops over an eight-month period.
- Projects are pitched to an industry panel and one project is selected for phase 0.2.
- **Phase 0.2:** The selected project is further developed with the aim to go into production.

Key Funding Stats

- The scheme develops and guides projects into production. However, it does not have production funding.

Credits

- *Rocket Surgery* selected, aims to go into production into 2015.
- *Special Needs* is this year's winning script.

6.4. Cinematic

Launched in 2013 by the Film Agency for Wales, Cinematic aims to make "contemporary, dynamic and distinctive feature films" with budgets of around £300,000. The scheme is not intended as an entrant scheme. At least one of the core team, must have a professional credit.

Who is eligible?

- Wales born or based film-makers who want to make feature films suitable for theatrical release.
- Applications must be made by teams – minimum of two.
- At least one member of the team should have one professional credit in their field.
- Projects should be predominantly set in Wales and must qualify as British.

How does it work?

- Up to 20 teams will be called for interview, of which 10 will be selected on the basis of the application materials and an interview.
- The 10 teams selected will go through a training phase – focusing on advancing the development and packaging of projects.
- Each film must have a distribution focus at the point of production.
- From the slate of 10 films, a maximum of three will be selected to enter pre-production and move towards production.

Key Funding Stats

- The 10 teams selected for the first phase are awarded £1,000.

- Each of the three teams selected will receive a further development award (non-defined).
- Greenlit films receive a budget of around £300,000.

Credits

- Three films selected early 2014 to go into production over the next 18 months
  - Craig Roberts' writing/directorial debut *Just Jim.*
  - Chris Crow's psychological thriller *The Lighthouse.*
  - Euros Lyn's Welsh-language *Y Llyfrgell* (*The Library*).

6.5. Microwave

Launched in 2006 by Film London Microwave allows film-makers to shoot a feature film for no more than £150,000 with cash and in-kind support. Offers a programme of training-through-production to all short listed teams.

Who is Eligible?

- Applications must have a team in place (producer, writer, director). Teams must be a minimum of two people.
- London-based film-makers with an existing track record in production in at least one of the following: short films, 'no budget' fiction (unreleased theatrically in the UK) and non-fiction feature films, commercials, artists' films or music videos, television and theatre.
- Can only apply through a production company based, managed and controlled within the 33 London Boroughs.
- Ambition to long list at least 50% Black, Asian and Minority Ethnic (BAME) film-makers.
- Film must be eligible to qualify as a British film and eligible for Tax Relief.
- Projects should have no previous funding, unless it is by way of a grant.

How Does it Work?

- Apply online with team in place. Call for applications on a regular / annual basis.
- **Stage 1:** Shortlist and support the development of up to 12 projects (per round) through its bespoke Microschool programme to involve a five-day training programme followed by a six-week development period for all 12 projects. Each of the 12 projects will be allocated £1,000 towards this stage.
- **Stage 2:** Up to six projects (per round) will be selected for further development stage. Each will receive £2,000 to develop and package their projects for a six week period focussing on building the creative and commercial vision of the film. At the end of this stage each teams pitch their projects to the Microwave panel.
- **Stage 3:** Up to two projects per round who will be allocated funding of£7,000 to finalise the shooting script and, through mentoring from the Microwave team, to help raise finance for the film.

- **Stage 4:** When each of those projects is ready, the Microwave team will greenlight the film for production. Microwave will enable all its projects to have a bespoke route to market.

Key Funding Stats

- Over £2.2 million committed to training, development, mentoring, financing, production and distribution in this round of Microwave. An increase from previous rounds / years.
- **Development Funding**: If project is long-listed has the potential to receive development funding of up to £10,000 per team.
- **Production Funding**: Will fund up to six features over three years. £100,000 is provided directly from Film London and support is given to raise the additional £50,000.
- **Distribution Funding:** All completed projects have the opportunity to have access to up to £25,000 to support distribution strategies.

Credits

- *Shifty* (2009)
    - Launched Eran Creevy's career (*Welcome to the Punch, Autobahn*).
    - Nominated for BAFTA.
    - Released theatrically in the UK, earning £244,579 at the box office.
- *Ill Manors* (2012)
    - Debut of Ben Drew
    - Released theatrically in the UK, earning £453,570 at the box office.
- *Lilting* (2014)
    - Nominated for Grand Jury Prize – Sundance Film Festival.
    - Released theatrically in the UK, earning £121,081 at the box office.

6.6. Scott Free – Ridley Scott Presents

Scott Free Productions launched 'Ridley Scott Presents' in 2012 with the intention to fund a slate of six genre low-budget feature films. The films are to be produced by Scott Free Production and Executive Produced by Ridley Scott.

Who is Eligible?

- New and emerging film-makers.

How Does it Work?

- Scott Free develops projects in-house.
- Scripts and teams may be considered but must be submitted via an agent.

Key Funding Stats

- Raised an EIS fund of £5 million for the six genre films.

Credits

- No films have been produced yet under this banner.

6.7. Triangle

A 10-month development scheme that intends to develop new 'triangles' between writers, directors, and producers within the UK film industry. The scheme is delivered by Screen Yorkshire with financial support from the Creative Skillset Film Skills Fund.

Who is eligible?

- Triangle is open to anyone resident in the UK, over the age of 18 and not in full-time or part-time education.
- Open to established and first-time feature film makers.

How does it work?

- Up to 12 writers, 15 producers and 15 directors are selected to attend an introductory workshop, match-making sessions are made to foster relationships.
- Teams are made and given / assigned industry mentors.
- After several weeks of online mentoring and coaching to produce a formal project/creative proposal, teams are invited to a two day 'audience and pitching' seminar.
- Six teams are selected from those that attend the seminar to progress further to a story and business boot camp, these teams will then pitch their projects to selected industry experts.
- Three teams are chosen and work alongside their mentors over a three month period – culminating in a day of meetings with industry to obtain further development financing.
- Participants will be assisted in developing projects to a point where they can be presented to key decision-makers in the UK film industry, in the hope of securing development funding.

Key Funding Stats

- No specific funding promised; the intention of the programme is not to fund projects.

7. APPENDIX TWO: LIST OF CONSULTEES

Directors
Ed Blum
Gaby Dellal
Justin Edgar
Sean Ellis
Robbie Fraser
Tom Harper
Stuart Hazeldine
Debbie Isitt
Joanna Hogg
Marek Losey
Debs Paterson
Marc Price
Peter Webber

Producers
Rory Aitken
Gillian Berrie
Bob Last
Margaret Matheson
Andy Starke
Adrian Sturges

Agents
Matthew Bates, Sayle Screen
Jenne Casarotto / Rachel Holroyd, Casarotto Ramsay & Associates

Public Funders
Robbie Allan, Creative Scotland
Christopher Granier-Deferre, iFeatures
Hugo Heppell, Screen Yorkshire
Anna Higgs, Film4
Richard Holmes, Creative England
Joe Oppenheimer, BBC Films
Ben Roberts, BFI
Deborah Sathe, Film London
Natalie Usher, Creative Scotland

Private Funders
Nik Bower, Riverstone Pictures
Robin Gutch, Warp

Sales companies
Will Clarke, Altitude Film Sales

Mike Goodridge, Protagonist Pictures

Lawyers
Mary Brehony

Distributors
Zygi Kamasa, Lionsgate UK
Edward Fletcher, Soda Pictures
Marc Allenby, Picturehouse Entertainment

Exhibitors / Associations / Other
Mark Batey, Film Distributors Association
Phil Clapp, CEA
Louisa Dent, Curzon World
Pauline Durand-Vialle, Federation of European Film Directors
Alex Stolz

Comparable Territories
Tomas Eskilsson, Film i Väst, Sweden