

British Film Institute

Review of the Balance of Competencies between the United Kingdom and the European Union

August 2013

Culture Questions

- *How important is EU funding to the UK Cultural sector?*

The MEDIA Programme makes a vital financial and cultural contribution to the UK's audio-visual sector. The Programme effectively complements national and regional schemes.

From 2007-2012 UK companies received €48,269,500, while a further €38,516,019 supported releases of several hundred British films on the continent. A few recent films supported include *The Angel's Share*, *Shame*, *Submarine* and *Tinker, Taylor, Soldier, Spy*. In addition, several hundred UK professionals benefited from participation in a wide range of MEDIA-funded international industry events, festivals, markets and skills training offering an environment for them to hone their skills, develop strong international networks and expand their industry contacts with buyers, investors, broadcasters and other funders from European countries and internationally.

And how beneficial to the UK is the EU's focus on a shared cultural heritage?

Europe's rich and diverse cultural heritage has provided the world with many of its finest works of art, music and film. Within the shared European audiovisual space, the UK has often been a key innovator, particularly through its pioneering production of rich content both for public service broadcasting and in film. However, participation in Europeana by UK archives has been problematic because of insurmountable rights issues which may now be partially alleviated by the new Orphan Works Directive.

- *Are EU cultural programmes effective and how can they be improved?*

The MEDIA Programme has been substantially effective by focusing on pan-European measures for example its support for film distribution, but it could have however been improved in the following ways:

- The MEDIA Committee Management meetings could have been made far more effective by providing new members with an "induction" resource explaining the role of the Committee and its legal framework. Equally, the Committee would have been more effective if it had concentrated on advising on policy and evaluation matters rather than spending most of its time on the approval of a mountain of individual awards.

- The absence of funding support from the MEDIA Programme for Europe's audio-visual heritage is regretted, but we hope that it might be addressed by Creative Europe.
- Proactively working with funding bodies in member's states to maximise complementarity, knowledge transfer and exchange.

General Questions

- *What evidence is there that EU action in the areas of Culture, Tourism and/or Sport benefits or disadvantages the UK?*

EU action in the area of audiovisual significantly expands opportunities for UK professionals to work beyond national borders on projects aimed at international markets, often produced with co-production partners from other countries contributing funding and know-how to producing films enjoyed by potentially a 500 million strong European audience.

Significant amounts of funding for distribution and exhibition also stimulates exports of British films into other European countries.

- *Do you think the EU should do more, or less in relation to Culture, Tourism and Sport, and why?*

In relation to Culture, in particular to the MEDIA Programme and its successor scheme Creative Europe, the EU could do much more in relation to:

- Making available data, analysis and learning gathered through its funding role.
 - Networking Europe's audio-visual researchers and policy makers as well as its industry practitioners.
 - Opening markets to third countries such as China (as China's quota benefits only Hollywood films).
 - Supporting digital distribution across the European Union by addressing licensing issues.
 - Offering Europe-wide solutions, truly adding value (an example of a less successful intervention would be digitisation of European cinemas which to date has been too little too late, and could have been so much more).
 - Further increasing the market share for European films in Europe and beyond.
 - Ensuring crossover between key Research programmes like FP7 and Horizon 2020 where culture and creativity are addressed.
 - Be clearer on a fewer number of key performance measures.
- *What are the benefits or disadvantages of directing funding through the EU rather than national arrangements?*

Benefits

- Pan-European networking.
- Pan-European efficiencies.
- Pan European address to international markets.

- Scaling-up.
- More effective capacity building.
- EU funding will always come with an incentive to aim for the international market, to find partners from other countries and to reach for an audience which is substantially larger than the national audience.
- The MEDIA Programme's strongest feature is its support for transnational distribution i.e. helping films cross borders, including British films (€1.5 million supported European releases of *The Iron Lady*, €1.3 *Slumdog Millionaire*, €1 million *King's Speech*).

Disadvantages

- Difficulties of coordination across many centres leads to inefficiencies.
 - In general, European schemes are too bureaucratic and funding cycles are very slow, the decision making process needs to be significantly sped up to be effective for busy companies, often with tight cash flows.
- *Have you noticed any change in EU activity or emphasis since the 2009 Treaty of Lisbon and is this welcome?*
 - An increasing engagement with working beyond internationally such as MEDIA Mundus. The BFI welcomes this shift in emphasis.
 - Concerted effort to address urgent issues of copyright reform which have been impeding the development of innovative pan-European projects.
 - *What other areas of EU competence or activity impact on your sector and how?*
 - Access to finance especially for SMEs, banks too often conclude the sector is too risky.
 - AVMS (Audiovisual Media Schemes) eg media literacy and advertising breaks during films on television.
 - Competition law (market concentration in AV sector, for example cinema exhibition).
 - EU Structural Funds offering support for regional development, including cultural development.
 - Intellectual property especially copyright issues.
 - State Aid, particularly for film production.
 - Trade law and international law (GATS – UNESCO- EU bilateral trade agreements and the proposed US-EC Trade Investment agreement).
 - *What international bodies or arrangements are important to your sector beyond the EU?*
 - Council of Europe / European Audiovisual Observatory
 - EFADs
 - FIAF
 - International Film Festivals and markets
 - MPA

- UNESCO
- *How could the EU co-ordinate its activity in these areas of competence to greater effect?*
 - By stimulating and facilitating more collaboration between Member States, brokering joint initiatives, pooling resources and talents across Europe, sharing best practices.
 - Better linking its research and innovation policies with AV sector policy (including funding) as AV is a key driver of technology development. The EC works too much in silos.
 - Making better use of culture in external relations to foster intercultural dialogue and trade exchanges.

Please do not feel the need to limit your evidence to these issues, we are interested to receive any views you have about how the balance of competences between the EU and UK impact on Culture, Media and Sport.

Other issues/observations from the BFI:

- The DCMS and/or other responsible Government departments could do much more to raise awareness for the Culture sector regarding of the benefits offered by Europe to the Culture sector, especially in relation to non-Culture Specific Programmes such as the Framework Programmes.
- The DCMS could do more to bring together European policy leads within its sponsored bodies to share intelligence and agree lines of action.
- The BFI continues to see the benefits of Europe's cultural interventions in relation to audio-visual.
- Since April 2011, the BFI (and the UK Film Council before that time) has set-out its responses to a range of these policy issues in response to consultations from Europe. These can be found at: <http://www.bfi.org.uk/about-bfi/policy-strategy/consultation-archive> and <http://industry.bfi.org.uk/publications> .