

UK FILM | COUNCIL

UK Film Council Operational Plan 2010-11

Contents

UK Film Council Operational Plan 2010-11

1. Introduction.....	3
2. Background.....	4
3. 2010-11: Overview.....	6
4. 2010-11: Delivery: Priorities	7
5. Supporting Delivery	23
6. Financial Information	30
7. Risk Register (Strategic Risks)	32

1. Introduction

- 1.1 *UK Film: Digital innovation and creative excellence* is the UK Film Council's three year strategic plan which describes the main priority areas of focus for UK Film Council activity. More importantly, the plan explains in detail the key outcomes the organisation wants to deliver in the period April 2010 to March 2013.
- 1.2 The purpose of the 2010-11 Operational Plan is to detail the key activities to be carried out during 2010-11 which taken together will assist in the delivery of the strategic objective – *To help ensure a successful transition into the digital age* - as set out in the three year plan.

2. Background

- 2.1 The UK Film Council seeks to ensure that UK audiences can enjoy great films, by:
- Celebrating and safeguarding our film culture;
 - Assisting our film industry; and
 - Nurturing our film talent.
- 2.2 The strategic objective for the next three years is *To help ensure a successful transition into the digital age for UK film.*
- 2.3 The six core activity areas of the UK Film Council are:
- Supporting British films and filmmakers;
 - Nurturing skills and creative talent;
 - Encouraging innovation for the digital age;
 - Improving access to films for UK audiences;
 - Conserving and making accessible the UK's archival heritage; and
 - Providing opportunities to learn about film.
- 2.4 To deliver the strategic objective, the UK Film Council has confirmed 19 priorities each with an objective, target, principal activities and budget line which fall under one or more of the above core activities.

The following table summarises the relationship between the UK Film Council’s six core activities against the funding and policy priorities. Specifically, it outlines priorities are designed to achieve which aims. Some priorities help to achieve more than one aim.

UK Film Council Mission

Priorities ■	Talent	Industry	Culture	Priorities ●
BFI			■	Environmental Sustainability
Screen Agencies	■ ●	■ ●	■ ●	Public Service Broadcasters and Digital Platforms
The Film Production Fund	■	■	●	Film Education and Media Literacy
Film Skills Fund	■	■ ●		International
		●		Film Exports
The Innovation Fund	■	■ ●	■	Fiscal Measures
Distribution and Exhibition		■ ●	■	Intellectual Property and combating film theft
First Light Movies			■ ●	Screen Heritage
FILM CLUB	●	●	■ ●	Diversity and Inclusion
	●	●	●	Research, Statistics, Market Intelligence

3. 2010-11: Overview

- 3.1 The UK Film Council three year plan: *UK Film: Digital innovation and creative excellence*, details the priorities and activities for the period April 2010 to March 2013.
- 3.2 The priorities for the next three years are as follows:
- Prioritise creative excellence;
 - Prioritise digital innovation;
 - Promote investment in new British films as well as the people and independent companies who make them;
 - Take some of the risks the commercial environment will not take and give emerging talent in particular the support and confidence to succeed;
 - Take the lead on the key issues affecting the UK film sector;
 - Enable audiences across the UK to have the opportunities to learn about and access film in a way that befits the digital age;
 - Encourage increased collaboration across the creative industries, especially where success for film lies in a shared approach to issues such as investment and combating film piracy; and
 - Keep working to ensure the UK remains one of the most competitive and highly skilled places in the world to make films.
- 3.3 The 2010-11 Operational Plan details the agreed key management priorities for the coming year. In summary, these are as follows:
- To introduce the new funds, notably the Film Fund and the Innovation Fund, to work effectively and efficiently;
 - Continue to work as a policy advisor to DCMS in relation to film and the moving image;
 - Working with Government to secure a satisfactory Spending Review settlement for film; and
 - To work with the DCMS on any possible merger between the UK Film Council and the BFI.
- 3.4 The principal activities aimed at delivering all the priorities have been developed by taking into account current economic and financial conditions and progress made previously in relation to specific activities. Full details are outlined in the following section (Chapter 4).
- 3.5 The UK Film Council will continue to be actively involved in a policy advisory role with Government in relation to a wide range of areas.

4. 2010-11: Delivery Priorities

Priority:	Fiscal measures
Objective:	To work with the UK Government and the EU to ensure the maintenance of the optimum tax reliefs and fiscal measures to support investment in British films. Also to work with public and private sector partners to produce a policy and a plan to enable better access to corporate finance for UK film companies.
Key Needs/Issues	Engagement with areas of government other than DCMS
Target:	Minimum of £10 million to be earmarked for investment in film businesses by 2011-12.
Principal Activities:	<ul style="list-style-type: none"> • To ensure that the UK film tax credit provides the optimum incentive to support the production of culturally British Films; • To develop a new policy designed to grow film companies of scale in the UK • To ensure that independent producers are able to obtain a fair equity position from the revenues generated by their films; • To undertake the certification of culturally British films; • To identify new opportunities for the financing of feature film production and distribution in the digital world.
2010-11 Milestones:	<p>Prepare a study of the potential impact on co-production of amending the 'used and consumed' requirements of the tax credit</p> <ul style="list-style-type: none"> • Prepare and publish a study of custom and practice regarding the treatment of the tax credit in film finance plans • Develop a strategy for more effective dialogue with economic ministries, departments and agencies of UK and EU government • Complete review of critical success factors for building companies of scale • Publish analysis of corporate finance of SMEs • Complete the Take 12 programme by July 2010
Outcome to be achieved by 31st March 2011	<ul style="list-style-type: none"> • Subject to its findings, use the findings on 'used and consumed' as the basis of a dialogue with Government on revisions to the Tax Credit • Using the study as a basis and with key partners (PACT, BBC, C4) ensure the tax credit consistently ensures proportionate participation in film revenues for producers • Use the experience of the CFE bid as a basis for renewed and increased commitment for support from BIS for proposals to support access to corporate finance for film businesses. • Use the Take 12 programme as a basis for identifying future training, business support and financing needs for digital innovation and how they can best be met. • Subject to the findings of the review of critical success factors for building companies of scale, agree action plan.
Lead Department:	Chief Executive's Office/Strategic Development

Priority:	International
Objective:	To promote British film and the UK's film infrastructure internationally.
Key Needs/Issues	<ul style="list-style-type: none"> • EU audiovisual policy in line with that of the UK • Build relationships with film bodies in other countries to advance UK policy priorities • Sustained flow of funding from EU sources for UK's audiovisual industry, including from the MEDIA Programme
Targets:	<ul style="list-style-type: none"> • Agreed position on terms and principles of new Cinema Communication by September 2010 • Establishment by end of 2010 of modus operandi with EC regarding audiovisual policy initiatives • Establishment of relationship with the Cultural Committee of the European Parliament
Principal Activities:	<ul style="list-style-type: none"> • To promote the UK as an inward investment destination through the Office of the British Film Commissioner; • To assist the UK industry to benefit fully from the UK's co-production treaties; • To work with the UK Government and the EU to contribute to the development of a strong European audiovisual policy which benefits the UK.
2010-11 Milestones:	<ul style="list-style-type: none"> • Continue to target and expand US industry contacts at funded US independent film production companies, studios and agencies, both in the US and at major film festivals and markets, with the objective of securing UK Inward Investment projects and increasing awareness and understanding of benefits of filming in the UK ; • Repositioning of the US office emphasising its critical role as the "go-to" place in Los Angeles for producers looking to shoot outside the US; • Continue to promote UK film infrastructure to US clients and to encourage suitable initiatives undertaken by the UK industry associated with attracting and servicing inward investment production; • Take a proactive approach in dispelling US perceptions of resource limitations in the UK and work with UK industries to find solutions to capacity issues; • Aim to increase long term US studio involvement in the UK Film Economy by: <ul style="list-style-type: none"> - Helping Warner Brothers progress their plans for Leavesden Studios; - Encouraging the Walt Disney Company to assume a more permanent film production presence in the UK. • Influence the structures within a changing Regional and National Screen Agency environment in order to secure continued high quality local support for OBFC Inward Investment efforts; • Continue to provide proactive on-the-ground production support for US features shooting or planning to shoot in the UK <ul style="list-style-type: none"> • European Film Agency Directors (EFADs) meetings – May 2010, September 2010, February 2011 • EFADs meeting with new Competition and Digital Commissioners (end of 2010/early 2011) • EU presidency meetings (July 2010 and March 2011) • Secure contract with the European Commission to run MEDIA Desk UK in 2010/11 • Deliver Annual Report on the work plan of MEDIA Desk UK in 2009/10

Outcome to be achieved by 31 st March 2011	Processes and procedures in place to communicate and agree policy initiatives with European institutions and member states which reflect structures and priorities with which the UK is operating.
Lead Departments:	Office of the British Film Commissioner/Chief Executives Office/Strategic Development

Objective:	To support UK film product, talent, services and skills in international markets.
Key Needs/Issues	Support for UK film industry exports is smart and efficient but relatively small in scale in relation to sector activity.
Target:	To support and deliver: <ul style="list-style-type: none"> • the UKFC Export Unit Export Strategy and activity • the restructure, strategy and activity of the UK –wide Film Export Group
Principal Activities:	To support the international distribution of culturally significant British films at key international festivals and markets. To provide leadership for the UK industry by supporting UK-wide export policy and activity
2010-11 Milestones:	<ul style="list-style-type: none"> • assist UK film companies to navigate and utilise the export opportunities of digital change and innovation • review and relaunch the IFSS scheme and support culturally significant British films at key international festivals and markets • the London UK Film Focus • help UK companies to visit/attend key Film Markets
Outcome to be achieved by 31 st March 2011	<ul style="list-style-type: none"> • new UKFC and FEG export strategies in place for the 2010 – 13 period • support FEG to host a digital innovation export conference/event • new 'IFSS' scheme operational and to have supported between 10 and 20 films at key international festivals and markets, generating deals in 25 or more countries to the value of \$5 million • London UK Film Focus: 110 key international buyers of UK films to attend. Showcase to include up to 5 UK films managed by non UK sales companies and up to 5 foreign films represented by UK sales companies. Deals of \$2 million to be generated. • Support/organise umbrella stands and/or delegations to 3 key international Film Markets and/or export territories • Support a minimum of 18 UK film companies to visit key export territories and/or Film Markets
Lead Department:	Export Development

Priority:	Intellectual property and anti-piracy
Objective:	To assist the industry in combating copyright theft and infringement; and to help Government put in place an IP regime that maximises the access and value of rights in the digital age.
Key Needs/Issues	To use all means possible to reduce the impact of online and physical film theft and infringement
Target:	To help reduce film theft and copyright infringement
Principal Activities:	<ul style="list-style-type: none"> • To support the film industry and advise Government on the most effective ways of combating film theft • To facilitate and stimulate the availability of films through legitimate sites • To encourage ways in which orphan and 'non-managed' works can be released to enhance access to the widest possible range of content in the UK.
2010-11 Milestones:	<ul style="list-style-type: none"> • Set up of Board IP sub-group to determine a clear set of policies and desired outcomes • To help ensure that the proposed legislation in the Digital Economy Bill relating to online copyright infringement, if enacted, achieves the goal of significantly reducing illegal sharing of films.
Outcome to be achieved by 31 st March 2011	Dependent on the work of the Board sub-group, review at the end of 2010.
Lead Department:	Strategic Development

Priority:	Public service broadcasters and digital platforms
Objective:	To work with broadcasters and other platform operators to improve public access to British and specialised films.
Key Needs/Issues	To ensure that the UK public has access to the widest possible range of films via all broadcasters and other digital platforms.
Target:	To work with broadcasters and other platform operators to improve public access to British and specialised films.
Principal Activities:	<ul style="list-style-type: none"> • To work with public service broadcasters and other digital platforms to secure a prominent role for British and specialised film in new and existing services • To help ensure that the regulatory regime which governs broadcasting and electronic communications provides the optimal

	environment for British and specialised film
2010-11Milestones:	<ul style="list-style-type: none"> • Legislation first in place, giving Channel 4 formal responsibilities for film in the Digital Economy Bill.
Outcome to be achieved by 31 st March 2011	A wider range of British and specialised films available to the public across all platforms
Lead Department:	Strategic Development

Priority:	Diversity and inclusion
Objective:	To help build a more diverse and inclusive workforce and film culture.
Key Needs/Issues	<p>Strategic issues:</p> <ul style="list-style-type: none"> • The lack of diversity in the UK film industry is unacceptably out of step with the make up of the population; • The UK Film Council is now recognised as a leader in this area in the public sector; • The film industry is not actively hostile but it does remain naturally resistant to planned diversity interventions; and • The scale of UKFC interventions is still small and so too is the overall impact. <p>Operational issues:</p> <ul style="list-style-type: none"> • Vacant Head of Diversity post
Target:	To follow
Principal Activities:	<ul style="list-style-type: none"> • To support initiatives designed to give people from minority ethnic groups, people with disabilities and women equal opportunities to get into and succeed in the UK film industry • To bring on and nurture new talent • To assess our policies and funds for their equality impact • To integrate equality and diversity commitments into all core UK Film Council activities • To provide practical tools and information to encourage diversity amongst our partners and the industry more generally • To provide grant-in-aid funding for programmes that support our diversity objective;
2010-11Milestones:	<ul style="list-style-type: none"> • By May 2010: New Head of Fund in post; • By June/July 2010: Review of projects/activities to be funded (in line with Diversity Strategy and available budget)

Outcome to be achieved by 31 st March 2011	To be agreed
Lead Department:	Chief Executives Office (Diversity Unit)

Priority:	Film education and media literacy
Objective:	To maximise the impact of film and moving image education and literacy initiatives across the UK.
Key Needs/Issues	Ensure education policy and delivery is UK-wide and aligns with 21 st Century Media Literacy
Target:	To ensure the strategy aims and objectives are delivered To ensure film education advocacy plan is developed and delivered
Principal Activities:	<ul style="list-style-type: none"> To secure additional resources for more film education and media literacy activity To co-ordinate key education partners more effectively
2010-11 Milestones:	<ul style="list-style-type: none"> Ensure strategy pilots are developed Ensure film clubs promoted and targets reached Review contract with film education
Outcome to be achieved by 31 st March 2011	Deliver key aims of the strategy and plan
Lead Department:	UK Partnerships
Priority:	Research, statistics and market intelligence
Objective:	To gather and publish statistics and market intelligence and to carry out research to benefit the industry and other interested parties.
Key Needs/Issues	To provide market information and appropriate research to understand UK film and assist the transition of UK film to the digital age.
Target:	To produce the Statistical Yearbook, scheduled statistical releases and other planned reports.

Principal Activities:	<ul style="list-style-type: none"> To raise the level and quality of debate and new thinking on the evolving financing, production, distribution and consumption models for film To enhance understanding of the social, cultural and educational value of film
2010-11 Milestones:	<ul style="list-style-type: none"> Publication of 2010 Statistical Yearbook Publication of Oxford Economics study on the UK film economy Regular statistical releases as per stats release calendar.
Outcome to be achieved by 31 st March 2011	Commission further round of cultural impact/value research Enhanced bank of research, statistics and market intelligence available to help inform the transition of UK film into the digital age
Lead Department:	Strategic Development (Research & Statistics Unit)

Priority:	Environmental Sustainability
Objective:	To help make the UK film industry a world leader in environmental good practice and to make the UK Film Council compliant with best practice in energy use and waste reduction.
Key Needs/Issues	Raising awareness in the sector of the significance of carbon emissions and waste reduction and raising awareness of practical initiatives that can be taken to reduce both.
Targets:	To have sufficient information to calculate the overall carbon footprint of the UK film industry and to monitor significant increases or decreases.
Principal Activities:	<ul style="list-style-type: none"> To develop and implement a British Standard for sustainable management for the whole UK film industry To develop and promote www.greenfilm.info website and linked events To continue to audit and reduce the UK Film Council's own carbon footprint
2010-11 Milestones:	<ul style="list-style-type: none"> Agree a 'BS' standard for environmental sustainability management Hold a successful event to raise awareness of environmental issues across the industry

	<ul style="list-style-type: none"> To further reduce the UK Film Council's own carbon emissions.
Outcome to be achieved by 31 st March 2011	BS standard completed and being used More practical steps being taken by sector businesses to audit, monitor and reduce their carbon emissions Regular and widespread use of greenfilm.info website (traffic targets still to be set).
Lead Departments:	Strategic Development/Resources

Priority:	The Film Fund
Objective:	To provide one unified production /development fund in the UK Film Council, focused on creative excellence and filmmakers aspiring to make quality British films.
Key Needs/Issues	<ul style="list-style-type: none"> A lack of production finance for British independent films; A fragmented indigenous film production sector; A low proportion of new British films receiving UK theatrical release and impacting on the UK domestic box office; A need for a talent driven home for UK filmmakers A failure to make enough good ideas into great films in the UK Lack of opportunities for successful writers, producers and directors to progress in the UK Challenge of generating UK based content; Reduction in the money, staff and resources available internally to manage the objective.
Targets:	(Year 1) – to establish the philosophy of the new fund and to successfully communicate (that philosophy) to the industry
Principal Activities:	<ul style="list-style-type: none"> To support creative excellence in British filmmaking To put an emphasis on first- and second-time filmmakers, writers and directors as well as support for world-class filmmakers; To adopt a more flexible approach, providing the appropriate type of support required by filmmakers; To support research, development and preproduction and to have a ring-fenced sum of money for development activity; To support feature films and short films; To provide funding to support high-risk and innovative filmmaking; To implement a 25% spend target for non-London originated production; To allocate all film recoupment to top up the Film Fund's annual budget; To provide a producer equity position taken direct from the UK Film Council's recoupment in all feature film investments.
2010-11 Milestones:	<ul style="list-style-type: none"> To resource, staff and set up new fund To assess and manage the slate of existing commitments made by all 3 production and development funds

	<ul style="list-style-type: none"> To make new investments in line with the philosophy of the new fund
Outcome to be achieved by 31 st March 2011	The philosophy of the new fund to be accepted and understood by the industry and an understanding that the new fund will be able to be respond or change in response to feedback if necessary.

Priority:	The Innovation Fund
Objective:	To help ensure that the UK film sector makes a successful transition to the digital age.
Key Needs/Issues	<ul style="list-style-type: none"> Digital technology is starting to transform the way in which film and moving images are financed, produced, distributed and consumed; Need to assist the UK film sector adapt to and lead re the benefits of digital developments
Targets:	<ul style="list-style-type: none"> More and more people watching and enjoying film across the UK To maintain existing and create new values for SME rights holders and organisations in the film value chain To encourage knowledge sharing and integration between technology companies, innovators and film companies To enable successful innovative projects for fund and the industry as a whole
Principal Activities:	<ul style="list-style-type: none"> To enhance the diversity of film available in the UK, enabling audiences to discover more content; To encourage the growth of new film business models and new ways of working in order to strengthen the British film sector across the value chain
2010-11Milestones:	<ul style="list-style-type: none"> Board approval for plan March 31st 2010 Monitoring and evaluation strand agreed and company appointed to run it June 2010 Knowledge dissemination plans agreed and company(s) appointed June 2010 Advisory Board set up and processes finalised July 2010 Fund opens for business September 2010 First awards made December 2010
Outcome to be achieved by 31 st March	Fund to be up and running and making awards to innovative projects and monitoring initial impacts

2011	
------	--

Priority:	British Film Institute (BFI)
Objective:	To champion moving image culture, education and cinema heritage in all its richness and diversity for the benefit of as wide an audience as possible and to deepen and encourage public debate about film.
Key Needs/Issues	<ul style="list-style-type: none"> To deliver the BFI mission while remaining financially stable by being a well managed, customer focused, more efficient and diverse organisation, and by pursuing and harnessing all appropriate commercial opportunities; Work with DCMS and BFI on any possible merger
Targets:	<ul style="list-style-type: none"> To ensure the <i>bfi</i> objectives and activities are consistent with the UK Film Council's strategic objectives in relation to promoting the widest possible enjoyment and understanding of cinema throughout the nations and regions of the UK; To ensure the management and operation of the BFI is both effective and efficient; Ensure continued complementarities of strategic objectives and delivery between UKFC and the BFI; Help deliver phase 1 of the Film Centre project Develop and deliver phase 1 of UK-wide Collections and Archive strategy with BFI
Principal Activities:	<ul style="list-style-type: none"> To assist the creation of a new National Film Centre, which harness digital media to create a world-class centre of excellence for learning and research, and which houses the London film Festival; To preserve, secure and provide greater access to the BFI National Archive; To work closely with public and private partners across the UK to further develop access to cultural film.
2010-11 Milestones:	<ul style="list-style-type: none"> Heritage UK Strategy - Submission of Business plans and issue tenders for procurement Film Centre – Develop Governance and recruit support team to take the project forward. To further develop the BFI Southbank – and to attract 1.4 million visitors in 2010-11 (227,000 paid cinema admissions); To achieve 789,000 admissions to BFI screenings, (non-BFI premises), 63,000 users of BFI educational and information resources; 2.2 million viewers to BFI broadcast co-productions; and, 11.8 million users of BFI online resources; Launch a major awareness and fundraising campaign to fulfil the needs of the new film centre; Continue to help lead, in conjunction with other partners, delivery of the UK-Wide Educational Strategy and the Heritage UK Archive Strategy; Improve organisational and financial effectiveness;

Outcome to be achieved by 31 st March 2011	The various phases of the Screen Heritage strategy to have been successfully delivered; Diversity of film and the development and ambition for film culture to have been better realised as per the BFI business plan; and access to the BFI archive has increased.
Delivered by:	British Film Institute
Oversight by:	UK Partnerships

Priority:	Screen Agencies
Objective:	To provide funding support for film across the English regions and to co-ordinate the UK-wide delivery of film policy and advocacy.
Key Needs/Issues	Reduced UKFC funding will require smarter working, new structure for regional training support via Skillset will require review, will need to be aware of impact of any changes to regional infrastructure and support as a result of the general election.
Target:	<ul style="list-style-type: none"> • To develop closer working relationships and practices in 2010/11 • Work with RSAs and Screen England to explore new ways of working across England • Ensure effective delivery to time, cost and quality of the 2010-11 RSA RIFE investment plans
Principal Activities:	<ul style="list-style-type: none"> • To work with the National and Regional Screen Agencies to help co-ordinate film policy, strategy and delivery across the UK.
2010-11 Milestones:	<ul style="list-style-type: none"> • Review of quarterly investment plan reports and feedback where off track • Scenario meetings with Screen England and RSAs, particularly on developing smarter working for archives, locations and production • In consultation with RSAs develop new talent development Strategy UK Wide – led by UKFC Production Fund • Oversee new transfer of funds for training and Skillset review at the end of the year
Outcome to be achieved by 31 st March 2011	Film continues to play a prominent part in the lives of those living in the regions and the RSAs deliver a more efficient and effective service across England.
Delivered by:	9 English Regional Screen Agencies, Scottish Screen, Film Agency for Wales, Northern Ireland Screen

Oversight by:	UK Partnerships
---------------	-----------------

Priority:	First Light
Objective:	To offer children and young people more opportunities to participate in and learn about film-making
Key Needs/Issues	Encourage take up of film opportunities by young people. Ensure overheads are in line with UKFC guidelines and expectations
Targets:	<ul style="list-style-type: none"> • To increase the number of films made by young people; • To enhance opportunity for young people from disadvantaged backgrounds; • To improve the quality and diversity of films made.
Principal Activities:	<ul style="list-style-type: none"> • To provide creative opportunities for young people from disadvantaged backgrounds.
2010-11 Milestones:	<ul style="list-style-type: none"> • Ensure successful implementation and roll-out of Media Fund project phase 2; • Review 'second light' pilot • Develop long-term plan for additional resources. • To review plan to reduce overheads in line with UKFC guidelines
Outcome to be achieved by 31 st March 2011	To manage the delegation of the First Light programme to ensure it complies with Lottery regulations; and Ensure that the priorities and values which First Light represents and the opportunities it delivers against the UK Film Council's education and literacy strategy.
Delivered by:	First Light
Oversight by:	UK Partnerships

Priority:	Screen Heritage
Objective:	To secure the physical and virtual infrastructure needed to preserve films in the UK's publicly owned archives and ensure the public have the opportunity to access, learn about and enjoy their rich screen heritage wherever they live and wherever the

	materials are held.
Key Needs/Issues	To ensure funding is secure and programme delivered to budget profile as agreed with UKFC and DCMS
Target:	Develop and deliver SNC, RtR and DDA programmes with Partners across the UK
Principal Activities:	<ul style="list-style-type: none"> • To deliver phase one of the UK Screen Heritage Strategy; • To help maximise online access to film archives; • To bid for more money from Government to progress the UK Screen Heritage strategy.
2010-11 Milestones:	<ul style="list-style-type: none"> • Develop business plans to support phase one • Issue tenders for procurement to help deliver strategy • Develop Portrait of Britain with partners across the UK to ensure access to archives • All regions delivering against their Business Justification Cases for regional collections care and access.
Outcome to be achieved by 31 st March 2011	The various phases of the Screen Heritage strategy to have been successfully delivered.
Delivered by:	UK Partnerships

Priority:	Sponsorship
Objective:	To help promote targeted showcase events and initiatives which benefit the UK industry and/or the British public.
Key Needs/Issues	With economic downturn ensuring UK Film Council sponsorship funding is used to best value by helping to leverage match funding and creating confidence.
Target:	Supporting core events or initiatives that help the film industry, promote British filmmaking excellence or nurture our talent.
Principal Activities:	<ul style="list-style-type: none"> • Promote British creative excellence and innovation in film via specific showcase events, awards and other platforms, as well as through collaboration with industry partners; • Explore partnerships and opportunities that deliver value for industry stakeholders and audiences;

	<ul style="list-style-type: none"> • Encourage sponsored partners to broaden accessibility to information and initiatives online; and • Provide support for organisations providing key services to core industry sectors.
2010-11 Milestones:	<ul style="list-style-type: none"> • Sponsored activities that promote British creative excellence: Cannes Film Centre, Encounters, Edinburgh Film Lab, London Film Festival, BIFAs, Women in Film and Television Awards, Edinburgh's Michael Powell Award with cash prize, British Animation Awards, Grierson Awards; • Sponsored partnerships that deliver value for stakeholders: Cannes Film Centre, BIFAs, Ateliers du Cinema European workshops for UK filmmakers, Rotterdam Cinemart for UK filmmakers, New Producers Alliance, Edinburgh Directors' Lab, Production Finance Market, Film Festivals Forum; • Online accessibility to information to the industry resulting from UKFC sponsored activities achieved for Cannes, London Festivals Forum, NPA, BIFAs; • Supporting organisations which help the industry in line with UKFC priorities: British Federation of Film Societies, Independent Cinema Office, NPA, CTBF film scheme.
Outcome to be achieved by 31 st March 2011	All the activities supported align with the key priorities of the UK Film Council.
Delivered by:	Communications Department

Priority:	Film Skills Fund
Objective:	To ensure a strong, consistent supply of skilled and talented professionals in line with market demand, delivered by Skillset.
Key Needs/Issues	To ensure delivery of the new UK wide 3 year Skills Strategy which also include specific England wide regional delivery
Targets:	<ul style="list-style-type: none"> • A focussed film specific skills provision for the industry matching demand through new entrant, CPD and demand led technology bursaries and schemes. • The establishment of a focused network of Film academies • Complementary programmes (both National and Regional) implemented to develop skills and talent in the areas of new entrants, people already working in the industry and film companies.
Principal Activities:	<ul style="list-style-type: none"> • To invest in new entrants' schemes;

	<ul style="list-style-type: none"> • To prioritise training for new technologies and post-production; • To ensure a high-quality production workforce; • To deliver improved business skills; • To focus on the Screen Academy network.
2010-11 Milestones:	<ul style="list-style-type: none"> • Over 600 beneficiaries will benefit from targeted skills development. • We will have made the money go further by leveraging significant additional funding. • The VFX industry will be recruiting from within the UK in sufficient numbers. • We will have maintained the industry's reputation for having a highly skilled and relevant workforce through training in digital, 3D and HD to future-proof the industry. • High quality trainees will have been delivered into prioritised grades with identified shortages, resulting in longer term employment. • Working with the UKFC, we will have supported and delivered the very best emerging writers and directors. • The workforce profile of the UK film industry will be more diverse.
Outcome to be achieved by 31 st March 2011	<ul style="list-style-type: none"> • To ensure that the UK Film Councils objectives and those of the Film Skills Fund are fully aligned; and <p>To ensure that Skillset delivers value for money with the support of public funds</p>
Delivered by:	Skillset – Film Skills Fund
Oversight by:	UK Partnerships
Priority:	Distribution and Exhibition
Objective:	To enable more and more people to enjoy and appreciate a wider range of films in the UK.
Key Needs/Issues	<ul style="list-style-type: none"> • The release of specialised films with optimum print and advertising expenditure in order to meet latest audience demand; • Ensuring repertory cinemas remain solvent and open; • Broaden the diversity of audiences.
Targets:	
Principal Activities:	<ul style="list-style-type: none"> • To provide Prints and Advertising Fund support for British and specialised films; • To allocate all film recoupment to top up the Prints and Advertising fund annual budget;

	<ul style="list-style-type: none"> • To provide a platform for the debate on the flexibility of film 'windows'; • To assist the UK cinema exhibition sector's transition to digital cinema; • To help develop and enhance key regional cross art-form venues, with cinema at their heart, as cultural and creative hubs; • To support film societies through the British Federation of Film Societies; • To support the cultural programming of independent cinemas and festivals through the Independent Cinema Office; • To promote community and rural cinema UK-wide by supporting and promoting the Pilot Rural cinema schemes; • To encourage the exploitation of online rights and the emergence of digital platforms for the benefit of rights holders, operators and audiences alike.
2010-11 Milestones:	<ul style="list-style-type: none"> • Redo fast track by June 2010 • Ensure innovation strand is up and running in the innovation fund Sept 2010
Outcome to be achieved by 31 st March 2011	The fast-track programme will have received additional funding and be operational.

Priority:	Film Club
Objective:	To fund the organisation which supports schools' film clubs offering children and young people the opportunity to watch and appreciate a broad range of films.
Key Needs/Issues	Film education policy and delivery in the UK has been disconnected and inconsistent with large gaps in provision
Target:	To establish 7,000 film clubs across England
Principal Activities:	
Outcome to be achieved by 31 st March 2011	To establish 7,000 film clubs across England
Delivered by:	Chief Executives office

5. Supporting Delivery

The following departments support the delivery of activities from internal and external departments and programmes:

Department:	Business Affairs
Principal Activities:	Providing advice and support to each of the UK Film Council Lottery Funds (inc New Film Fund, Innovation Fund, P&A Fund, RIFE) on all business and legal aspects of each project funded by these Funds. Leading on deal structure and negotiation, drafting of and control over all transaction documentation.
Other activities:	To undertake ad hoc legal work on behalf of all departments of UK Film Council.
2010-11 Activities	<ul style="list-style-type: none"> • Prepare guidelines and processes for New Film Fund and new Innovation Fund • Prepare state aid notification (if necessary) for new Innovation Fund • Implement new Producer Equity scheme • Make consequential amendments to development, production and short film contracts • Prepare new template documentation for new Innovation Fund • Prepare contract for Screen Heritage UK • Prepare documentation for Film Nation project (including contracts with LOCOG and with all delivery partners) • Provide advice to Skillset on state aid implications of mandatory SIF levy • Continue to prepare and negotiate contracts for all Lottery spend • Continue to prepare (and negotiate where necessary) contracts for all UKFC grant spend • Continue to assist (where applicable) in discussions over proposed merger with BFI • Provide advice and assistance to all departments (and to UKFC delegates where requested) on ad hoc issues such as new initiatives, complaints and problem/issue solving.

Department:	Resources Department
-------------	----------------------

<p>Principal Activities:</p>	<p>Corporate Finance</p> <ul style="list-style-type: none"> - Controlling all expenditure and income; including cash management, expenses, payroll and tax management; - Preparing all management and statutory accounts, budgets, forecasts and strategic plan finances; - Advising and reporting on actual and budgeted expenditure for all departments; - Advice on Capital projects and agency and funded body business plans and monitoring and financial performance; - Reporting to the Department for Culture Media and Sport on all Lottery commitments and disbursements and grant-in-aid expenditure; for both capital and resource allocations. - Reporting on the Value-for-Money and Efficiency Delivery Plans agreed with the Department for Culture Media and Sport. <p>Production Finance</p> <ul style="list-style-type: none"> - Financial assessment of applications, recording and reporting of awards; - Providing advice to Heads of Funds and Business Affairs on deal structures and negotiations; - Controlling award expenditure by applicants and reporting fund performance; - Maximising returns from UK Film Council’s large portfolio of rights; including British Screen, Arts Council England and the Greenlight Fund portfolios; - Assisting in the development of Film Enterprise Fund opportunity from the Creative Economy Programme; - Managing UK Film Council’s Export Development activities.
	<p><u>Human Resources and Training</u></p> <ul style="list-style-type: none"> - Managing the operational and strategic Human Resources Strategy; including personnel policies and practices and response to changes in employment legislation; - Managing the Equal Opportunity policies and procedures; - Managing the UK Film Council’s response to broad policy changes and specific initiatives from the Cabinet Office as part of the Government’s drive to modernise workforce pay and practices for a more effective and responsive Civil Service; - Managing the Training and Development Strategy; including overseeing the annual Personal Development Review process and producing an annual training plan;

	<ul style="list-style-type: none"> - Supporting managers and staff in sourcing appropriate developmental activities; - Conducting in-house training courses where appropriate, evaluating any training undertaken and monitoring participation; - Managing temporary staff requirements; - Providing Expert advice on Health and Safety.
	<p><u>Facilities Management</u></p> <ul style="list-style-type: none"> - Assuming responsibility for facilities management across all UK Film Council premises including procurement of relevant goods and services; - Managing UK Film Council's obligations under premises lease agreements and liaising with leaseholders, sub-contractors and service providers; - Monitoring the services and performance of all suppliers to UK Film Council; negotiating improvements to contract terms or performance; - Ensuring compliance with UK Government and EU procurement procedures on such goods and services; and provision of advice to managers on these procedures; - Introducing Sustainable Development initiatives across both UK Film Council sites
	<p><u>Information Technology (IT)</u></p> <ul style="list-style-type: none"> - Providing an IT infrastructure to support the office working environment including software and application procurement; - Maintaining appropriate access and security methodologies to protect IT systems and data; - Developing and implementing effective induction and training on UK Film Council's IT systems; - Planning enhancements to the IT infrastructure to support business needs for efficient and effective working; - Providing desktop and network support to staff to resolve problems, calling on specialist applications advice when appropriate; - Managing and developing the IT strategy, ensuring compatibility of IT infrastructure and e-Government obligations, standards and delivery; and

	<ul style="list-style-type: none"> - Responsibility for data recovery, telecommunications, audio-visual services and IT business continuity.
	<p><u>Monitoring and Evaluation</u></p> <ul style="list-style-type: none"> - Ensuring for the management and ongoing development of the monitoring and performance framework for all UK Film Council activities; - Drafting the Funding Agreement between the UK Film Council and the Department for Culture, Media and Sport; - Reporting on UK Film Council, partner organisations and stakeholder performance to the Department for Culture, Media and Sport on a quarterly basis. Reporting is against the Funding Agreement and other statutory financial and non-financial requirements for both Lottery and Grant-in-Aid funding; - Further development of the Balanced Scorecard performance measurement across the organisation; - Managing and developing reporting and performance measurement with partner organisations; - Managing information, including responsibility for the GIFTS database; - Contributing to UK Film Council policy development, corporate governance and risk management; - Implementing, training and managing Freedom of Information procedures; - Fostering relationships with other Lottery Distributors and the Department for Culture, Media and Sport on best practice in monitoring, handling customer complaints and Freedom of Information; and - Co-ordinating operational and business planning within UK Film Council.
Other activities:	<p><u>COO Office</u></p> <ul style="list-style-type: none"> - Acting as Company Secretary for UK Film Council and subsidiary companies; specific responsibility for Audit and Remuneration Committees, internal audit services and primary contact for compliance reporting for Department for Culture, Media and Sport; - Contributing to UK Film Council policy development and corporate governance - Implementing, training and managing Freedom of Information procedures; - Fostering relationships with other Lottery Distributors and the Department for Culture, Media and Sport on common working in Finance, Human Resources, Facilities and Information Technology and Procurement; - Supporting all departments within UK Film Council; including implementing business and operational change; advising

	<p>on changes in legislation across finance, tax, employment, health and safety, procurement and corporate governance;</p> <ul style="list-style-type: none"> - Co-ordinating business planning both within UK Film Council and across funded agencies; - Acting as the Senior Responsible Owner for the Screen Heritage strategy.
--	--

Department:	Communications
Principal Activities:	<p>Delivering an effective and proactive media communications programme;</p> <p>Delivering an enhanced public affairs programme;</p> <p>Delivering effective film industry communications;</p> <p>Maintaining a strong UK Film Council corporate identity via an enhanced web presence, publications programme; advertising, branding and show reels/promotional activity;</p> <p>Driving an integrated web-based communications strategy;</p> <p>Delivering a strategic and effective events service;</p> <p>Delivering effective 'UK Film Council family' communications;</p> <p>Delivering effective internal communications.</p>
2010-11 Activities:	<p>Media Communications</p> <ul style="list-style-type: none"> • Promoting and furthering the long-term strategic aims of the UKFC by communicating its realigned priorities and the public benefit and value of the organisation's work. • Ensuring that UK film stays visible on the media agenda and the cultural and commercial benefits of a flourishing UK film industry are clearly communicated to key stakeholders. • Building core messaging around quarterly press conferences, supported by improved collateral and a renewed emphasis on using the UKFC's senior management to comment and lead on key issues around film. • Broadening the UKFC's audiences and spheres of influence by setting up initiatives which allow the organisation to take its messages to business correspondents, feature writers and journalists from across the creative industries. • Supporting the UKFC on key debates around issues which affect the future of film – e.g. film 'windows' and film piracy. <p>Public Affairs</p> <ul style="list-style-type: none"> • Ensuring public affairs stakeholders have a clear understanding of UKFC aims, activities and impacts.

	<ul style="list-style-type: none"> • Further developing public affairs contacts programme for Chairman and CEO. • Monitoring of legislative and other political developments relating to the national and international film industry, and providing briefings to UKFC management, Board, MPs and wider film industry accordingly. • Setting up meetings for Chief Executive/Chairman with key politicians and political advisors, either at their request or to ensure the UK Film Council upholds its role as independent advisor on film industry issues. <p>Industry Relations</p> <ul style="list-style-type: none"> • Providing information to CEO, SMT and Communications team on key industry issues. • Maintaining direct contact with key industry stakeholder organisations. • Running industry meeting programme with the Chairman, the CEO's office, Board Directors, the senior management team and film industry champions, with sector stakeholders. • Manage UK Film Council corporate sponsored activities meeting UKFC objectives. • Manage UK Film Council key industry marketing projects led by the UK Film Centre in Cannes. <p>Events and marketing</p> <ul style="list-style-type: none"> • Running industry events in line with organisational needs. • Organising events that support the public affairs strategy, e.g. All Party Film Group screenings. • Producing a targeted number of advertisements to support UK filmmakers and the UK film industry in key national and international film publications and events; • Ensuring partners incorporate UKFC branding into funded activity. • Producing film show-reels in line with organisational need and which support UK films at international industry markets and festivals.
	<p>Web strategy</p> <ul style="list-style-type: none"> • Retune website to make UKFC news more visible. • Ensure information is easily understandable, easy to find and readable on the website. • Ensure there is coherence of information and voice. <p>Internal Communications</p>

- | | |
|--|--|
| | <ul style="list-style-type: none">• Ensuring stakeholders – including all UKFC employees and Board Members, National Lottery partners and film-related / creative industry organisations such as the BFI, Skillset, National and Regional Screen Agencies, and external industry bodies – are kept aware of UKFC’s realigned priorities, new structures and the public benefit and value of the organisation’s work. |
|--|--|

6. Financial Information

7.1 UK Film Council primary income sources - average annual forecast income 2010-13:

	2010-11
Grant-in-Aid	£25.67 million ¹
Lottery	£31.81 million
Recoupment	£4.87 million
EC grant, bank interest and other	£0.17 million

The above figure for Lottery is before the transfer of Lottery funds to the Olympics, which is anticipated to average £4.89 million in each year.

7.2 Averaged Income and Expenditure Summary 2010-13:

	2009-10 £000s
<u>Income</u>	
Lottery - ticket sales & investment returns	26,920
Lottery – film awards investment recoupment	4,870
Grant in Aid	25,670
Interest & other income	170
Total New Income	57,630
<u>Expenditure</u>	
UK Film Council Awards Schemes	
<i>bfi</i>	16,000
Film Production Fund	15,000
Operations	7,127
Screen Agencies	6,300
Innovation Fund	5,000
Film Skills Fund	3,250
Prints & Advertising Fund	2,000
FILMCLUB	1,533
Strategy/Research, statistics and market intelligence	1,233
First Light Movies	1,100

¹ Only core GIA income is included. Therefore ring-fenced funding for specific projects, such as FILMCLUB, as well the additional one-off capital allocations relating to the Archive Strategy or the Film Centre have been excluded from these figures in both income and expenditure terms.

	2009-10
	£000s
Irish Language Fund	1,000
Office of the British Film Commissioner	800
Film Export Fund	500
Diversity and inclusion	360
International support (including MEDIA Desk)	358
UK Film Council Capital items	300
Sponsorship (activities that support UK Film Council core priorities)	300
Intellectual property and combating film theft	250
Certification Unit	159
Cross art-form venues	100
Co-production	83
Total Average Award Spend	61,720

Additional funding has been ring-fenced by Government for the following initiatives:

- National Film Centre £45,000,000
- Screen Heritage £25,000,000

Lottery income in the above is shown net of the average transfer of funds to the Olympic Lottery Distributor.

7. Risk Register (Strategic Risks)

	Risk	Likelihood	Impact	Level of Risk (Likelihood x Impact)	Mitigating action/control	Effectiveness of action/ control	Overall Risk Rating (Level of Risk/Effectiveness of Action)	Department Responsible
1	Reduced public sector funding available with next CSR	4	4	16	Outside the control of the UKFC, but will assist DCMS to make the case.	2	8.0	CEO/COO
2	Lack of capacity to commence any potential merger implementation alongside the UKFC's transition plan	3	5	15	Early appointment of the implementation team after a merger decision is made with supporting resources.	2	7.5	Board/ Communications
3	Reduction in lottery income due to falling ticket sales and/or additional Olympic demands	3	5	15	Risk is outside the control of the UKFC but mitigated by the latest DCMS forecast and the potential scaling of future lottery activities.	2	7.5	CEO/COO
4	Actual recoupment fails to meet targets set within the current budget and the next Strategic Plan.	3	5	15	A robust assessment process is currently in place which considers quality with the commercial sense of the market place and prudent planning and forecasting.	3	5.0	COO/ Production Funds
5	Change of Government or Ministers results in changing emphasis and priorities in relation to film	5	3	15	UK Film Council to make arguments to any new Government/Ministers about importance of film in the cultural sector	3	5.0	SDU/CEO

	Risk	Likelihood	Impact	Level of Risk (Likelihood x Impact)	Mitigating action/control	Effectiveness of action/ control	Overall Risk Rating (Level of Risk/Effectiveness of Action)	Department Responsible
6	Inability to deliver the two large capital projects	3	5	15	Robust financial and project management, delivery and control, liaising with Government departments and partners	3	5.0	CEO/COO
7	Failure of key partners to deliver UK Film Council objectives i.e. the <i>bfi</i> , Skillset, RSA's and Film Club	3	4	12	Sufficient time and resource allocated for oversight of partnership arrangements, performance and delivery.	3	4.0	UK Partnerships/SDU
8	Failure to assist and provide leadership to the industry with technological changes across the value chain	3	4	12	Within the next Strategic Plan, there is a focus on thought leadership (market intelligence) and the creation of the Innovation Fund.	3	4.0	Board/CEO/SDU
9	Failure in timely transition of organisation structure to support the implementation of a new strategic plan from April 2010	3	4	12	Early implementation of organisational changes so as to be as 'fit for purpose' in 2009/10 prior to the start of the delivery of the next Strategic Plan.	4	3.0	CEO/COO
10	Failure of the next strategic plan to satisfy the needs of industry and culture	2	5	10	Matching and containing expectations and working closely with Government and industry to agree priorities and measurable targets most notably through the consultation of the next three year plan	4	2.5	Board/CEO