
Low and Micro-Budget Film Production in the UK

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A research report produced for the UK Film Council by

Northern Alliance

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The UK Film Council is the Government backed lead agency for film in the UK ensuring that the economic, cultural and educational aspects of film are effectively represented at home and abroad. We invest Government grant-in-aid and Lottery money in developing new filmmakers, in funding exciting new British films and in getting a wider choice of films to audiences throughout the UK. We also invest in training, promoting Britain as an international filmmaking location and in raising the profile of British films abroad.

We aim to deliver lasting benefits to the industry and the public through:

creativity – encouraging the development of new talent, skills, and creative and technological innovation in UK film and assisting new and established filmmakers to produce successful and distinctive British films;

enterprise – supporting the creation and growth of sustainable businesses in the film sector, providing access to finance and helping the UK film industry compete successfully in the domestic and global marketplace;

imagination – promoting education and an appreciation and enjoyment of cinema by giving UK audiences access to the widest range of UK and international cinema, and by supporting film culture and heritage.

Foreword

The number of films produced on low and micro budgets has been growing in recent years. This growth has coincided with the beginning of the digital age that seems to offer the prospect of new opportunities for such films.

For this reason the UK Film Council commissioned Northern Alliance to provide an accurate account of this part of the film production sector. The evidence they have obtained provides the first ever comprehensive picture of low and micro budget filmmaking in the UK.

The results will also inform the UK Film Council's policies, but the findings should be of interest to everyone with a stake in the UK film industry, UK film culture and the filmmaking talent that underpins both.



John Woodward
Chief Executive Officer
UK Film Council

1 Executive summary

The UK currently produces around 100 low and micro-budget feature films per year¹ and around £18.5 million is spent on making them. Typically they are paid for by private investors, not the public sector, and are made by producers and directors who have not made a feature film before². Most fail to secure conventional theatrical distribution.

Around one in two of the films are shown at festivals and, whilst it is difficult to assess objectively the cultural contribution of UK low and micro-budget film production as a whole, some individual films clearly become culturally significant. Awards won by the low and micro-budget films surveyed include Best Screenplay (Dinard), Best British Feature (Raindance), Best New Director (Edinburgh) and a number of acting and craft skills awards from UK and International festivals.

Approximately half the films secure some form of international showcase, though only half of these via conventional sales agents. Based on the research we estimate that, together with UK distribution, this generates net revenues³ of £5-6 million for their investors and/or makers. There does not appear to be a widespread use of tax incentives to mitigate the risks of investment.

Only 18% of low and micro-budget films were released theatrically in the UK. 16% were released theatrically abroad. Theatrical distribution of such films in the UK tends to be by smaller, independent distributors, or by their makers or by similar, unconventional means. 49% of films were sold or distributed in DVD/video format.

There is evidence that somewhere in the region of 15% of low and micro-budget films fail to achieve their full potential in distribution or exhibition. The reasons for this are undoubtedly complex, including a lack of awareness of film sales, distribution and exhibition on the part of some filmmakers; difficulties in getting attention for small films in UK and international festivals; and the particular circumstances of the UK's exhibition marketplace.

Specialised cinemas do not tend to use the fact that a film was made to a low or micro-budget as a factor in programming. Some programmers are of the opinion that low and micro-budget films are a disincentive for audiences.

Slate/studio ventures such as Warp X, Vertigo or Slingshot were widely noted as potentially offering a sustainable business model. Few of those interviewed or surveyed felt that one-off low and micro-budget filmmaking provided a financially sustainable business model. There was some concern that a minority of producers active in low and micro-budget production were responsible for exploitative or dangerous business and production practices.

¹ 427 low and micro-budget films were produced between 2002 and the summer of 2007. Throughout that period there was a rising trend of titles in this category, with a sharp increase between 2004 and 2005. It seems likely that there will be a similar increase in 2007 as the research period covered only a part-year.

² 71% of the directors of low and micro-budget films are working on their first feature project. 69% of the lead producers were working for the first time in that role. For 64% of writers this was their first feature.

³ i.e., net of taxes and exhibitors, distributors and sales agents costs and fees.

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For many, the main value of the sector was that it offered opportunities for talent in all departments and grades to progress within the industry. At their best, low and micro-budget films were seen as offering huge creative opportunities to entrepreneurial and talented individuals and teams. Some felt that in order to give this freer rein, financiers, lawyers and other film professionals needed to take a different stance to risk and themselves adopt more innovative business/contractual models.

All of the public agencies interviewed supported low and micro-budget feature filmmaking as both a cultural and economic/business opportunity, including six strands or schemes directly targeting the low and micro-budget sector. Support from National/Regional Screen Agencies went beyond these six schemes. However many of the producers interviewed expressed dissatisfaction with the attitude and approach of public agencies to their project in particular and to the sector in general.

Whilst the research found no hard evidence of widespread use of the web to distribute and exhibit feature length film, many interviewees drew analogies with the paradigm of music making. Just as today bands and singers are self-promoting and distributing through social networking and downloading sites, there was considerable speculation that this would in the near future be equally possible for new, talented feature filmmakers.

In this sense the attitude of many interviewed could be characterised as one that, low and, especially, micro-budget filmmaking represents an investment in the future; both in terms of the development of new talent to refresh and sustain the broader industry and also as an option on potential future models of filmmaking and film consumption that may yet emerge.

CASE STUDY: AN A-LIST CAST

Film:	Scenes of a Sexual Nature
Production company:	Tin Pan Films
Producer/Director:	Ed Blum
Exec Producer:	Vadim Jean
Writer:	Aschlin Ditta

Scenes of a Sexual Nature was made for only £260K. Remarkably, this low budget feature, with a first time feature director, attracted a stellar British cast (including Ewan McGregor, Sophie Okonedo and Hugh Bonneville). Even more remarkably raising finance, attaching cast and shooting the entire 90 minute film took less than six weeks.

The film is a series of seven short love stories. The script was completed towards the end of June, at which point Blum decided that shooting would start on August 1st and set about casting and financing. To keep costs low, Blum set some strict conditions: the film would be shot in one location (Hampstead Heath) requiring no set builds; each story would take two days to shoot and all actors would be paid Equity minimum.

The script never went out cold. Working with casting director Emma Styles, Blum pitched himself along with the script. Blum and Styles met agents and pitched the individual stories (rather than the whole film). Knowing that a two day shoot could fit with theatre schedules, they approached actors working on the London stage. He was determined to attract names, believing this would give the film "legitimacy" with one well known actor attracting another. As an example, that summer, Ewan McGregor was starring in *Guys and Dolls* with Douglas Hodge. McGregor got on board and then so did Hodge.

Two weeks before the shoot Blum held his first financing meeting. Private investors were encouraged to commit half their money up front and then half when they had seen a rough cut. He set simple rules regarding eventual returns from the film – half would go back to investors and half would go to cast and crew. The strategy worked.

To fit actors' schedules the film eventually started shooting on July 31st. The production was blessed with good weather and airline strikes! Clear, plane-free skies helped the shoot run smoothly. The two-day per story rule worked for everyone involved, with a minor exception for McGregor who needed three days to work with his theatre schedule.

Scenes of a Sexual Nature was clearly a good experience for Blum. He modestly suggests that the film attracted more than its fair share of luck. This underestimates the chutzpah of his approach. After its release, Hollywood beckoned, with a number of romantic comedy scripts landing on his desk. Though tempting, he has taken a different route and is currently developing a political comedy in New York.

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2 Scope and objectives

Feature films produced at low and micro-budget levels have been discussed by many industry observers as an important part of the future development of British film industry and culture for at least the last ten years. There has always been a sub-genre of films produced on very low budgets of necessity but since the late 1990s, some commentators have asserted that production at these very low values is a positive virtue for a number of reasons including:

- To encourage innovation and the emergence of new talent.
- To enable production of experimental films, films by first time makers and other 'high-risk' productions at lower financial commitment.
- To counter supposed lack of competitiveness within the UK industry in comparison with the USA and certain European territories.
- As a creative discipline and/or to allow greater independence for writers, directors and producers.
- To capitalise on digital technology.
- To exploit a new wave of distribution opportunities based on the long tail phenomenon.

In the past five years interest and involvement in low and micro-budget production on the part of the public sector has increased. In 2002, the UK Film Council published *The Relph Report* which examined the costs of lower budget UK films in the international marketplace. This suggested that the increasing costs of lower budget British films too often exceed their earning potential in domestic and international market places. This high cost of production forced producers to dispose of all intellectual property rights in their films simply to get them made. Thus, the report argued, reducing costs represented a way for producers to create real value in their companies⁴.

In September 2007 the UK Film Council commissioned Northern Alliance to carry out a study to establish base line data on low and micro-budget filmmaking in order to indicate the size of the low and micro-budget sub-sector, indicate the range of practice within that sub-sector and map out the policy context and environment in which low and micro-budget filmmakers are operating. Research was completed in January 2007. The research comprised:

- The construction of a database of low and micro-budget films produced since 2002.
- A survey of low and micro-budget films and producers based on that database.
- Complementary surveys of UK sales agents and specialised cinemas.

⁴ The *Relph Report*, Summary of Findings (page 1) – see www.ukfilmcouncil.org.uk/publications

- An overview of the current public sector interventions (ie those with the active involvement of public agencies such as the UK Film Council, National and Regional Screen Agencies) specifically targeting low and micro-budget production.
- An extensive series of interviews in order to outline the attitudes and opinions of key film industry companies and individuals as regards low/micro-budget films.
- Case studies of low and micro-budget productions.

This study presents the results of that process.

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CASE STUDY: 'LEARNING BY DOING'

Film:	Limescale
Production company:	Black Barn Productions
Director:	Will' Terran
Producers:	Will' Terran and Stewart O'Reilly
Writer:	Will' Terran

Limescale was Will' Terran's first feature. The production process was largely 'shoot and run'. Terran says that the low budget forced the cast and crew to be inventive and creative: "the excitement factor can run very high when the number one priority becomes – 'Get some footage for that. Anything! So long as there is something to work from'". The shoot took six weeks, using MiniDV.

Post Production took seven to eight months, being a first feature for all concerned. The final cut ran a little under three hours. Many of the shots captured and editing techniques were the result of trial and error – and a very steep learning curve. The soundtrack was composed specially by Mark Newby-Robson, with a couple of tracks by indie band Midnight Moth.

The final production budget was around £34,000, raised via a graduate loan and from family friends. Most of the budget was spent on kit and some technician fees, for example for lighting. Most of the materials and locations used on the shoot were begged or borrowed: "you'll be surprised how much free stuff can be had from someone who's got a mate who knows someone else who's getting rid of his furniture..."

Looking back at the writing, producing and editing process for *Limescale*, Terran regards it as an invaluable learning process: learning by doing. The main lessons he takes are that, as a producer, one cannot be too organised – and the value of getting something – anything – in the camera "If you can... do so. It'll save all sorts of time and hassle later in post-production". On future projects he would be inclined to take more advice, in particular at the script stage. In particular "learning to take criticism and use it constructively has been an absolute must".

Although Terran gave a completion date for the film of 2004 – and *Limescale* received a screening at the Curzon Soho in the summer of 2005 – the film is perhaps more correctly regarded as a work in progress. Issues such as which delivery materials to package with the film are still being decided, and after a break of over two years, Terran has embarked on a re-edit of the original material. He is confident that his greater experience will enable him to produce a better final cut. Once this is complete, Terran will begin again the process of seeking exposure for the – finally – finished film.

3 Definition of low and micro-budget

During the research project, the following definition of low and micro-budget film was used:

- £1 million or under cash budget with no lower limit.
- Feature film (ie excluding short films and television programmes).
- A minimum of 60 minutes running time.
- Any genre including feature documentary.
- Any recording medium (eg film, digibeta, etc.).
- Intended for theatrical exhibition (regardless of outcome).
- Year of completion 2002 or later (up to January 2007 start of principal photography).
- Intended to qualify as British under the 1985 Films Act.

Many individuals interviewed or surveyed in the course of the research were interested to discuss this definition. In particular there was considerable interest in where the upper budget limit was set, with many interviewees suggesting different figures as the top limit for a low-budget film. These ranged from as high as £2 million to figures in the region of £1.3-1.5 million. There was, however, no consensus on a single figure – and at least one producer surveyed was strongly of the opinion that £1 million was not a low budget. Some interviewees felt strongly that theme and style were a better definition of low and micro-budget than an arbitrary financial cut-off.

Based on the survey of titles and other research information, it is possible to loosely divide low and micro-budget films into three categories, based on budget.

- Low-budget – from £1 million to around £250,000.
- Micro-budget – from around £250,000 to £50,000.
- “No-budget” – from around £50,000 to zero.

In the survey of titles (see section four for more detail of the survey), 96 (48%) of films had a total cash production budget of less than £50,000. 56 (28%) had budgets of between £50,000 and £249,000. 44 (22%) had budgets of between £250,000 and £1 million or over⁵. These broad divisions are used throughout this report.

⁵ Four films that responded (2%) had cash budgets that proved to be just over £1 million however the films have been retained within the dataset and where appropriate have been included in analyses.

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Figure 1: Films surveyed defined by budget range

Budget (£)	%
Less than 50,000	48
50,000 - 99,999	14
100,000 - 249,999	14
250,000 - 499,999	9
500,000 - 749,999	7
750,000 - 1 million	4
More than 1 million	2
Not answered	3

Discussion of the size of budgets should be conditioned by the genre of film or approach of the filmmakers. For a producer looking to make a theatrical, fiction-based feature £1 million may feel like a low budget. However, for many producers of theatrical documentaries £200,000 may compare very well to television commissioning budgets and be entirely adequate to complete a 90 minute project. Similarly for artist filmmakers seeking to produce long-form work capable of theatrical exhibition £100,000 may be an achievable budget given different and more individual working methods in the artist's studio. However, the vast majority (90%) of films surveyed fall into conventional feature film genres and their mix does not vary substantially as budget levels change.

CASE STUDY: DOCUMENTARY FILMMAKERS

Film:	Black Gold
Production company:	Speak-it Films
Producers:	Marc Francis, Nick Francis, Christopher Hird (executive producer)
Writers/Directors:	Marc Francis, Nick Francis

Brothers Marc and Nick Francis co-directed and produced their debut feature-documentary *Black Gold* which premiered at the Sundance Film Festival and received critical acclaim during its' international theatrical, DVD and broadcast release. The film's success has had a massive impact on their access to finance and getting feature film projects off the ground. At the moment they focus on theatrical documentaries but they see their future equally in fiction feature filmmaking.

Black Gold was made possible by the filmmakers' belief in the film and their drive to make it by any means possible. Marc and Nick Francis initially embarked on the project using their personal and their production company's resources. Only when they felt they had some sufficiently compelling footage did they approach financiers.

The total budget of *Black Gold* was £350-400,000. Around £150,000 was raised in cash. The rest consisted of in kind services and deferred fees. Most in kind investment came from the core team, eg Speak-it Films provided the production equipment; the editor came on board with a deal on editing equipment. Shot in five different countries, approximately 50% of the total budget was needed for the logistics of the physical shoot (transport, accommodation, subsistence, etc.).

The remainder of the budget was spent on post-production. Marc Francis points out that there are aspects of production such as grading that will always cost money, regardless of the budget level and best attempts of producers to get favours. His advice for micro-budget producers is to save as much as money as possible from the budget until it is time for the final touches e.g. grading and deliverables. The *Black Gold* team took test screenings and audience feedback very seriously and spent time on getting it right – something that added nearly a year to the production process.

It took four months over two years to shoot *Black Gold*. To maintain flexibility in production, the producers followed a step-by-step patchwork finance model. The post-production took a total of five months to complete on a full-time basis. The editing was performed in two separate two-month stages, followed by another four weeks of sound work, grading, etc.

Their flexible approach to schedule and financing worked for first-time filmmakers, but the creative team wouldn't do it again unless they really had to.

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4 Surveying the films

One of the motivations for research into low and micro-budget feature films was a strong impression that an adequate database of titles did not exist. An initial list of 167 titles was taken from UK Film Council records, derived from data on Schedule 1 qualifying films and the UK Film Council's production tracking. These had budgets ranging from £26,761 to £990,797. The research team added to this database from a combination of sources including:

- Festival catalogues (in particular the Edinburgh International Film Festival's Film UK Guide to British Film for relevant years).
- National and Regional Screen Agency databases of awards.
- Skillset's database of films eligible to pay the training levy.

Extensive checks of the eligibility of titles and to check details of producer, director and other key detail were made using IMDB.com, britfilms.com, Shooting People and other online resources. Many other titles were uncovered during the course of the research process, as well as titles deleted as ineligible. The final database of eligible titles numbered 424 films.

Despite considerable effort, it was not always possible to obtain all desirable details for all of these films. In particular email and/or postal addresses for producers were often hard to obtain or incorrect/out of date. As will be seen at various points in this report, different numbers of titles are used for various analyses: this is entirely due to the difficulty in collating all datasets for all titles, especially for films with earlier production dates. It was also often very difficult to find accurate budget information from the various public sources consulted (although almost every producer was happy to share the information confidentially via the survey). However we believe the database is the most complete listing of low and micro-budget feature films ever assembled in the UK. A complete list of film titles is given as Appendix 3 to this report.

CASE STUDY: THE LOWEST OF BUDGETS

Film:	Low Tide
Producers:	Jon Sanders/Anna Mottram
Director:	Jon Sanders
Original story:	Anna Mottram/Jon Sanders
Dialogue	The Cast

Low Tide is a micro-budget drama made for £1,500. Dialogue was devised by the cast, improvising around a narrative framework created by director Jon Sanders and lead actress Anna Mottram. It was shot over five days in a single location. It tells the story of the last three days of a woman's life and attempts made by her and her husband to come to terms with her infidelities, their unhappy marriage and the loss of their only child.

The initial idea and motivation came from Jon Sanders' and Anna Mottram's frustration in getting their second feature film off the ground having made their first (conventionally financed) feature *Painted Angels* (2000). This time, the very low budget and production methodology were all intended to allow them make a film "without permission" from financiers or public agencies. The crew was small, with six working on the production, only three of whom were on set. A very efficient shoot was made possible by detailed pre-production and simple set-ups. *Low Tide* achieved a very efficient shooting ration of 3:1.

Almost none of the cast or crew would be considered 'new talent', most having substantial CVs in the business. The cast of six all knew each other well prior to the production. The emphasis throughout the production and post-production was on empowerment and shared responsibility. Sanders says his main purpose is to make cinema, powerful works with passion and personal vision – not pre-packaged products aimed at a particular market.

The budget was spent mostly on catering and on transport: only the post-production sound mixer and music recordist were paid (honoraria of £250/£100 rather than a full fee). All of the kit for the production and post-production was provided free by the technicians. The DoP brought his own digibeta camera and the sound equipment was lent by a colleague. The three week edit was carried out on Avid Express.

Since completion, Sanders has struggled to get exposure for the film. It was turned down by both the Edinburgh and London film festivals. Curzon Cinemas, having seen a DVD of the film, screened the film as one of their regular special events. This was well-attended and attracted a very good review from *Time Out*. Sanders admits that he knows little about distribution and exhibition but is still working to promote the film. He has recently had some interest from the British Council in showing the film to international festivals. He realises that the main challenge of making films at this budget level is to get the film to the public: that the hard work starts once the production is over.

Sanders and the *Low Tide* team are already working on another feature on the same model. Sanders has budgeted this allowing for payment to all involved at guild/union minima or higher and is convinced that such a production would come in at around £50,000 though they could do it for less if necessary.

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“Low budget filmmakers make films because they can.”

5 Production

A survey of low and micro-budget films.

Using the database of titles a survey of films and producers was conducted. Questionnaires were emailed to the producer (or director where no named producer was given or we had no contact details for the named producer) of all films for which an email address was available. Where a producer was credited with two or more films on the database, the initial questionnaire specified the most recent title. Of 338 questionnaires sent, 200 (a response rate of 59%) were returned.

Looking only at the database of films, the following facts emerged about the extent of production of low and micro-budget films.

Level of production

Research revealed a rising trend in the production of low and micro-budget films with a substantial increase between 2004 and 2005. The number of titles for 2007 should be regarded as provisional: a final figure for the year is likely to be higher. It is possible that figures for earlier years are artificially low due to poorer data being available for those years; however this seems unlikely to produce a substantial difference as similar or identical sources of information were used for all six years. In particular the substantial – 65% – jump in the number of films between 2004 and 2005 is unlikely to be wholly due to data anomalies.

Figure 2: Number of low and micro-budget films produced

Year	Films
2002	45
2003	52
2004	57
2005	89
2006	89
2007	96 ⁶

Nations and regions

Where possible, films were assigned to a nation or region of the UK by the address of the primary production company. Accurate information in this respect was available for 357 films (see figure 2). The spread of home address of lead production company is far more diverse than for mainstream production, where the overwhelming majority of feature films are made by London-based production companies. The reasons for other national/regional comparative differences were outside the scope of the study and it is hard to draw firm conclusions on the reason for other national/regional comparative differences.

⁶ Part year only.

Figure 3: National and regional production

Location of production company	Number of titles	% of titles with Nation/Region data
East Midlands	5	1
Eastern England	18	5
London	179	50
North East England	10	3
North West England	13	4
Northern Ireland	2	1
Scotland	35	10
South East England	50	14
South West England	17	5
Wales	10	3
West Midlands	7	2
Yorkshire	11	3
Total	357	100

Diversity

A not uncommon assumption amongst interviewees was that low and micro-budget films provided opportunities for filmmakers from a wide range of backgrounds to gain experience of feature filmmaking. It was hard to find much positive evidence to back this assumption up, at least as a widespread phenomenon. For films where reliable data was available, only 14.4% had female directors. Whilst this is a very low figure, it is at least higher than for mainstream production where, for the first ten months of 2007, 6% of films released in the UK had female directors⁷. Film London's Microwave scheme and Warp X both noted difficulties attracting female directors with both taking part in specific initiatives to encourage female directors. For films where reliable data was available, 34% had at least one female producer.

The research provided little persuasive evidence that low and micro-budget film was especially representative of the UK's ethnic mix. Anecdotally there were accounts of Black, Asian and minority ethnic (BAME) writers, directors and producers undertaking low or micro-budget features in order to get access to opportunities denied them by more mainstream film (and there was a small but noticeable subset of films with Asian titles). Microwave and Digital Departures (North West Vision and Media) both undertook special measures in marketing the schemes to attract BAME teams, with some success. Both Film London and NWV+M reported that they felt that the experience of delivering diversity elements of their micro production strands had enabled them to improve practice and performance in diversity across the range of their activity. It will be interesting to monitor the achievements of low and micro-budget initiatives – including both public sector schemes and the micro-studios (Slingshot, Warp X, etc.) in showcasing new talent including people from all of Britain's diverse communities.

⁷ Source: UK Film Council Research and Statistics Unit

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Survey of films and producers

The survey of films and producers produced the following results.

Overview of films

The most common genres of film made at this budget were drama (38%), comedy (19%), thriller (14%) and horror (10%). This did not vary substantially by budget. The majority of films had running times of between 80 and 100 minutes (66%). Perhaps unsurprisingly, the bigger budget films tended to have longer running times - 74% of the films with budgets of £250,000 or more were 90 minutes or longer, compared with 32% of films with budgets of less than £50,000.

The filmmaking team

Low and micro-budget films in the survey were commonly made by first timers. 71% of the films surveyed had a first time feature film director; for 69%, it was the first time the lead producer had worked in such a feature film role; and for 64%, it was the writer's first feature. Again perhaps unsurprisingly, higher budget films were slightly less likely to involve first timers – especially producers and writers, as the following tables illustrate.

Figure 4: Was this the first time the director had worked as a director on a feature film?

Director's first feature	All (%)	Less than £50k (%)	£50k - £249k (%)	£250k or more (%)
Yes	71	74	71	63
No	29	25	29	37
Don't know	1	1	-	-
Yes	71	74	71	63

Figure 5: Was this the first time the lead producer had worked as a lead producer on a feature film?

Producer's first feature	All (%)	Less than £50k (%)	£50k - £249k (%)	£250k or more (%)
Yes	69	77	68	53
No	29	20	29	47
Don't know / not answered	3	3	4	-

Figure 6: Was this the first time the writer had worked as a writer on a feature film?

Writer's first feature	All (%)	Less than £50k (%)	£50k - £249k (%)	£250k or more (%)
Yes	64	67	66	58
No	32	30	29	35
Don't know/ not answered	5	3	5	7

Festivals, film markets and awards

55% of the films had played at UK festivals. The bigger the budget, the more likely the film was to have played at a UK festival: 63% of films with budgets of £250,000 or more, compared with 57% of films with budgets of between £50,000 and £249,000, and 52% of films with budgets of less than £50,000. The most common UK festivals attended were Raindance, Edinburgh, Leeds, London, Cambridge and Bradford (attended by 17%, 16%, 13%, 11%, 11% and 7% of surveyed films respectively)⁸.

55% of the films had played at non-UK festivals. Again, the bigger budget films were considerably more likely to have played at non UK festivals – 77% of films with budgets of £250,000 or more, compared with 55% of films with mid-range budgets, and 46% of films in the lowest budget category. Although the survey did not seek to compile a comprehensive list of festivals attended, responses to a question about which international festival had been the most effective for promoting the film and the filmmakers revealed what must be a very energetic and catholic approach to festival entry. 55 festivals were mentioned, placing high-profile international events such as Toronto alongside relatively obscure festivals such as Fantasporto, Temecula Valley and Finger Lakes Film Festivals.

51% of the films had been represented at a film market, most commonly Cannes (38%), American Film Market (31%), London UK Film Focus (13%), Berlin (10%) and Toronto (8%). Analysis by production budget reveals a stark difference here – while 81% of films with a budget of £250,000 or more had been represented at a

⁸ Based on responses to a pre-written list of the main UK festivals

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film market, this was only true for 66% of films with budgets between £50,000 and £249,000, and for 28% of films budgeted at less than £50,000.

Film production process

The main shooting medium for these films was most commonly Mini DV (31%), followed by HD (21%), Digibeta (12%), HDV (11%), 16mm (10%) and 35mm (8%). There was considerable variation by budget. Almost half the films with budgets of less than £50,000 (48%) were shot on mini DV, compared with only 9% of the £250,000+ budget films. The bigger budget films were most likely to be shot on 35mm, 16mm or HD.

In contrast to one of the key recommendations of the Relph Report, films are typically produced by working long hours over a short period. Shooting most commonly took between 21 and 30 days (39% of films surveyed). 31% of films were shooting for between 11 and 20 days, and 6% for 10 days or fewer. For most films, the average shoot day was at least 10 hours long (10-11 hours for 34% of films, and 12 hours or more for 33%). For 23%, the average shoot day was 8-9 hours long, and for 10%, it was less than 8 hours.

As might be expected, crew size varied substantially with budget. Two thirds of the films with budgets of £250,000 or more employed crews of more than 22 people, compared with 27% of films with middling budgets and 9% of films with budgets of less than £50,000. Almost two-thirds (65%) of the lowest budget films employed fewer than 12 crew in total on the shoot.

For more than half the films (61%), the post production process took 14 weeks or longer. For 17%, it took between 10 and 13 weeks. For a similar proportion (18%), it took between four and nine weeks. And for 3% of films, post production was completed within three weeks. Analysis by budget revealed little significant variation in the length of the post production period according to budget level.

On the whole, we estimate that around 38,500 person days of employment are currently sustained annually by low and micro-budget production, equivalent to approximately 165 permanent jobs⁹. This refers to the production period alone, allowing for periods of preparation and post-production the figure is likely to be significantly higher. Allowing for the jobs sustained in suppliers and service companies the figure will be higher still. Given the budgetary constraints the films are produced within, many of these jobs will however be low paid.

By far the most common source for the film budgets was private investment (75%), followed by 17% that were partly or wholly self-funded by the filmmakers or production companies themselves.¹⁰

As can be seen in the following table, only a small proportion of films received any kind of public sector support – 14% national or regional screen agencies, 13% UK tax relief, 5% UK Film Council and 5% other public sector funding. The higher the film budget, the more likely they were to have received funding from the UK Film Council. The higher budget films were also much more likely to have cited UK tax

⁹ Using 233 working days, i.e. excluding weekends and statutory holiday entitlement (from 2008)

¹⁰ It is possible that some of the 'private investment' reported includes self-funding.

break as a source of the film budget (42% of £250,000+ films compared with only 1% of films with budgets of under £50,000), and to have received money from national or regional screen agencies (26% of top band films compared with 4% of bottom band films).

Figure 9: Source of cash budget

Funding source	All (%)	Less than £50k (%)	£50k - £249k (%)	£250k or more (%)
UK Film Council	5	-	4	16
UK tax relief	13	1	9	42
NSA/ RSA	14	4	22	26
Other public sector	5	1	9	9
Broadcaster	9	-	11	26
EIS	4	2	6	7
Bank	3	-	2	9
Private investors	75	72	80	72
Other	25	31	16	23

More than half the films (58%) deferred fees for crew and/or cast members. Fee deferrals were more common among the lower budget films (61% of bottom budget band films compared with 47% of top budget band films).

65% of films received some kind of services or goods free, or for only a token amount. This applied to 78% of films with a budget of less than £50,000, 64% of films with budgets between £50,000 and £249,000 and 33% of films with a budget of £250,000 or more. The free or reduced services or good were most commonly use of locations (54%), production equipment (44%), editing facilities (36%) and other post-production (30%).

Very few films (5%) had a completion bond in place - this did not vary significantly by budget.

Sales and distribution

It should be noted that several producers pointed out that, although their films were completed, they had not yet finalised sales and/or distribution deals or were still actively marketing their film to distributors and/or international sales agents.

45% of the films had a sales agent. This varied considerably by budget, with only 21% of the lowest budget band films having an agent, compared with 77% of films with budgets of £250,000 or more. Sales agents used constituted a very diverse group with over 60 different organisations reported as representing films in the sample. These ranged in size from publicly quoted companies through to single individuals.

Less than a quarter of the films were represented by members of the UK's international sales agent's trade association; Film Export UK (FEUK). A similar

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number were represented by organisations that could be classified as having a significant presence in the business of selling audio visual content in the international marketplace, either as indicated by membership of the Independent Film & Television Alliance¹¹ or by some comparable measure.

Over half of the reported international representation was by organisations that fell outside these groups. A small number of these agencies were clearly active in film sales, eg handling more than one surveyed title, and were probably, like the filmmakers themselves, prosecuting a strategy to consolidate their position and increase the scale of their operations via their involvement with low and micro-budget films. Many, however, appeared to be transient or ad hoc in nature and their effectiveness as routes to the current global market for filmed entertainment appeared to be limited.

The following table indicates, broadly, the type of representative.

Figure 10: Number of low and micro-budget films produced

Type of representative	%
Film Export UK member	22
Independent Film & Television Alliance member	18
TV broadcaster sales division or comparable organisation	5
Other	55

18% of the films surveyed were released theatrically in the UK. Again, this varied significantly by production budget. Only 5% of the lowest budget films were released theatrically in the UK compared with 42% of those in the top budget band.

The 37 films that were released theatrically in the UK were asked for the name of the film's UK distributor. 27 companies were named: of these only 11 (representing 17 films) feature in the Film Distributors' Association's distributors directory (which is broader than the FDA's membership). Several of the other films are in reality self-distributed by the producers.

16% of the films were released theatrically abroad. Again, this varied by budget from only 1% of films with budgets of £50k or less to 42% of films with budgets of £250,000 or more. The most common non-UK territory release was USA, followed by France, Canada and Australia.

For 88% of the films, the copyright of the film's IP was at least partly owned by the producers. For 15%, investors owned at least some of the copyright, and for 7%, part or complete ownership was held by distributors or sales agents.

¹¹ The Independent Film & Television Alliance ("IFTA") was established in 1980 as the American Film Marketing Association ("AFMA"). Its first members were a group of distributors and sales agents whose main goal was to expand the independent film business by creating a world-class trade show, the American Film Market (AFM). Today, the association has evolved into the leading worldwide trade association for the independent film and television industry, while the AFM concurrently has become one of the world's principal international film markets. FEUK members would customarily also be members of IFTA and attend the AFM.

For 56% of films, the producers retained 100% of the distribution rights. For 20% of films, the rights had been licensed to distributors or sales agents for less than 10 years; and for 15% of films for between 10 and 20 years. Very few films (4%) had sold their rights outright to distributors or sales agents or licensed them for more than 20 years.

With so few films gaining theatrical release, it is very hard to draw any valid conclusions on the financial returns. Of the 37 films released in the UK, only six films reported having earned more than £50,000 at the UK box office, and 15 report a box office of under £10,000.

Filmmaker attitudes and ambitions

The survey of films and producers allowed respondents to add their own comments on their film, the survey and the process of producing a low budget film. These comments, taken together with other information gathered through the process, allow some tentative conclusions to be drawn about the motivation of the filmmaking teams. Whilst obviously the precise motivations of filmmakers are individual and various, it is possible to draw some generic categories (although these are based on subjective as well as analytic criteria)

- Some filmmakers embark on a low or micro-budget production with very precise and well defined ambitions and a business model which is well-constructed and evidence-based. Filmmakers who have worked in this way tend to be very aware of the current, dominant value chain, market and strategic situation of the UK film industry – and of their position in relationship to those environmental factors. For example Warp X, Slingshot and other ‘slate’ producers fall into this category.

“I come from a feature film production background, nearly 20 years, so the experience with (my film) was smooth and well planned and any eventuality was accommodated well... I firmly believe that mentoring is essential and that greenlighted projects whether official or otherwise should be shepherded by industry pro's - there are plenty around.”¹²

- A second category of filmmaker enters into production with a less well-formed understanding of the filmmaking environment, or with less experience – and very often with a smaller budget. The process of producing the film is often very challenging but the filmmaking team regard the process as a learning experience almost regardless of the outcome for their film, and value outcomes in terms of knowledge gained and lessons learned about the film industry and film production.

“I loved it and got big work on ITV from it. Not for the faint hearted though... it'll nearly kill you.”¹³

- A final and third group feel themselves to be unsupported by (or even oppositional to) the mainstream industry and often (arguably invariably) the network of strategic agencies in the UK. For many of these individuals the practice of making films is a struggle, confirming their sense of

¹² Extract from a filmmaker's response to the survey

¹³ Ibid

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opposition, feeling that industry structures and strategic agency interventions are constructed in such a way as to deny opportunity and block talent.

“The existing structure to support independent filmmaking in the UK is incestuous and only supports higher profile (regardless of talent) producers. Finance should be spread more widely... rather than allocating larger amounts of funds to a small number of dreary, unimaginative remakes with very little intellectual or entertainment value”.¹⁴

These three categories do not match automatically with budget, genre or geography. They are useful in attempting to understand some of the findings of the report, especially in the context of UK, national and regional strategy.

Peter Carlton, via his experience of Warp X and through Film4’s own production portfolio, thinks that there is a new, younger generation of filmmakers who are developing films which cut their cloth to low budget constraints – rather than trying to cut and constrain £3 million films into a £1 million budget. This is, he says, a pragmatic but ambitious approach. The levels of creative ambition are not being constrained but the incentive is to focus on a filmmaking approach which will enable their films to get made quicker and with less financier-imposed constraints than if they were chasing a higher budget. Carlton notes that there is still a strong oppositional spirit alive in low and micro-budget filmmaking but that Warp X is seeing individuals who wish to share their oppositional vision with the public – initially perhaps a public which shares (or is liable to share) that vision. However once made and released these films can ‘participate’ in the broader cultural debate in Britain.

Peter Buckingham, Head of Distribution and Exhibition, UK Film Council similarly believes there is a strong culture of low budget filmmaking in the UK: “Low budget filmmakers make films because they can. They make movies because they want to, in the same way that people play music in pubs. Hope is vital ... hope that the movie can be made, hope that the movie will be seen, hope that the movie may allow them a route into the industry. Perhaps the biggest distinction and value of the sector is that at its heart is a ‘can do’ ethos. Which raises an important question for organisations such as the UK Film Council... where is the point at which strategy meets motivation?”

¹⁴ Ibid

“Poor production values, no cast, and most importantly, a poorly developed script, this is what limits a film’s value, not that it is actually micro-budget.”

6 International sales

A survey, drafted and distributed with the support of the sales sector trade association, Film Export UK (FEUK), was sent to all 30 of its members. 14 (47%) sales agents responded to the survey, 11 of whom had represented, in aggregate, 43 low/micro-budget films (full responses available on www.ukfilmcouncil.org.uk). In addition, more detailed interviews were undertaken with a number of sales agents and the Chair and Chief Executive of FEUK. Whilst not all agents representing UK films are members of FEUK, most are. FEUK believes the survey respondents are representative of the sector.

Whilst the number of sales agents with an interest in representing low and micro-budget films is in double figures, the traditional international distribution of low and micro-budget films is largely dependent on half a dozen key agents (hereafter referred to as the ‘key agents’) who represent almost 80% of the films in the survey.

FEUK feels there are two predominant areas of low and micro-budget filmmaking their members tend to be involved in, one at budgets of around £400,000 and another at around £1.2-1.3 million, and that there is a distinct gap between those two levels. The need to finance films above the lower level (around £400,000) via conventional multi-party financing was believed to be a principal reason for the polarity.

One of the great frustrations FEUK perceived was the constant re-invention of the wheel in terms of contracts and deal-making on individual films, even when the same financiers sat around the negotiating table. The FEUK Business Affairs Working Group is developing standard templates in collaboration with the UK Film Council in an effort to reduce the time and cost associated with financing low and micro-budget productions.

Most respondents believed that a film’s low budget had some impact on sales value (although two agents thought the budget had no consequence). The key agents suggested there was a lower correlation between a film’s production budget and sales value than other agents, though there was consensus that, initially at least, a good film is sold on the basis of value in the market, not cost to produce.

“Poor production values, no cast, and most importantly, a poorly developed script, this is what limits a film’s value, not that it is actually micro-budget.”
(Samantha Horley, Lumina Films)

“Some low budget films made with talent and the desire to entertain are worth more than big budget films.” (Sales agent)

Though 60% of titles were sold to at least one other European¹⁵ territory and 42% to North America, films struggled to achieve sales in the major European territories (especially in Spain and Italy) and Japan.

Half of the films were acquired before principal photography, though agents who had represented less low and micro-budget films tended to acquire them earlier than those who represented more. Almost two thirds of films were acquired on the basis of a licence without a minimum guarantee. There was a marked increase

¹⁵ Defined as a territory within the EEA (European Economic Area)

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in the incidence of equity investment in films by key agents as compared to others.

Charlie Bloye of FEUK believes commission rates need to be higher on smaller films given the effort required to sell them and that the expenses (such as poster design, screenings, attending markets) don't vary in line with production budgets. There is a fixed level of cost associated with attending the principal film markets and the third party funding available to help cash flow those costs is limited. Valuing investment in low budget films appears to be more complex than higher budget films, as this comment from Samantha Horley indicates: "We would put up a minimum guarantee if required, but probably based on, for example, the cost required to finish the film, ie post-production costs".

For all agents inadequate delivery materials were a major concern in respect of lower budgeted films.

"Apart from the additional costs which we have to incur, this is a major pain: we are a sales agent, not a production company. Completing delivery of a film is not what we do – it should be delivered to us ready for delivery internationally. It takes up valuable time." Richard Mansell, Hanway Films

"It is extremely important that a low budget film still allows for the costs of essential delivery items, eg the hiring of a stills photographer and provision of essential technical elements. The more that is omitted from the budget (simply to keep the budget low) the less attractive the project is to the sales agent. The low budget attracts no-one of itself. If the agent (or buyer) cannot access essential elements without providing them themselves, then there is a reluctance to buy." Bill Stephens, K5 International

Charlie Bloye stresses that there is a need for producers to be properly trained in delivery. FEUK is currently developing a clear, standard list of delivery items that distinguishes between essential and desirable items.

When looking at future trends in low and micro-budget film representation overall, respondents believe the level of representation will remain at current levels. There was a difference of opinion between those who have represented low and micro-budget films, where a slight decline is expected, and those who haven't, where a slight increase is anticipated. In the short term at least, digitisation may have a negative rather than a positive impact on the international sales of films since it could increase, not reduce, the costs associated with their representation. As Richard Mansell of Hanway Films put it, "digitisation of screens will have a negative effect until ALL screens are digital, delivery requirements will just expand to add digital materials alongside 35mm". Companies that had represented low and micro-budget films were significantly less optimistic than those who had not, with one key agent remarking "the problem is not so much the cost of prints, it's the cost of advertising and the availability of theatres".

“Making movies is relatively easy. Distribution is impossible.”

7 Distribution in the UK

Almost all UK-produced low and micro-budget films are distributed by a small number of independent distributors, several of which were interviewed in course of the research. Generally, from the distributors’ point of view, budget is not the most important issue.

“(Our company) is about releasing good films, we don't chase low or micro-budget films just because of their budget”. (Managing Director, UK independent distributor)

Buyers look for films which can be brought to market according to relatively conventional values – technical quality, plot, cast and so on. The example of Dogwoof Pictures is illustrative: the company is around three and a half years old and 80% of its business is in low and micro-budget films. The company considers that this is typical for new start-up distributors. However as the Dogwoof brand grows they would like to acquire bigger films.

Most distributors stated that they picked up low and micro-budget films post-completion. The main exceptions to that were those which were involved in slate production schemes, either as part of ‘mini-studio’ vertical integration (Slingshot, Vertigo) or as partners with slate production entities (Optimum). However The Works had looked at – or actively boarded – titles at script stage, as had Tartan Films.

Both distributors and producers commented on the very crowded UK distribution marketplace, noting that it was very difficult to find space for smaller titles without the pull of star names or high advertising budgets. There was a strong feeling that only the most exceptional low or micro-budget film could succeed in distribution. There was general agreement that the availability of screens had got much tighter: one distributor noted that the numbers of films released each week had grown over the last five years and had caused a ‘bottleneck’ – rather than there being a shortage of screens per se. However another senior executive commented that the cinema market place had lost diversity which previously may have supported a more varied programme. As an example she said that in her opinion City Screen’s bookings policy had become ‘monolithic’ making it harder to release small titles on a small number of screens. Another senior distributor commented that the massive expansion of cinema screens over the past decade had been focused almost entirely on the mainstream sector: there were comparatively few new screens over the past ten years that could play specialised titles successfully.

Research shows that the number of films released annually in the UK has increased steadily over the past five years from 423 in 2003 to 516 in 2007¹⁶, an average increase of 5% p.a. that now results in around ten new releases each week. Our research indicates that the number of UK films released that cost less than £1 million has increased even more dramatically, with an average annual increase of 24% (with a marked increase in the number of releases around 2005/2006). However this increase comes from a very low base in 2002, and with many of these titles receiving only a limited release. UK films costing less than £1 million only account for an approximate 0.5% increase in the number of films released in the UK.

¹⁶ Source: UK Film Council

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Distributors agreed that, with low and micro-budget films, all elements needed to be of exceptionally high quality as the films cannot rely on the pulling power of star cast to entice (or distract) audiences. In the words of Anna Godas, Dogwoof Pictures' Head of Sales and Acquisition: "without star and studio gloss, a strong story, fine acting, and professional production values are a must". There was a strong consensus that only exceptionally strong low and micro-budget titles had any realistic chance of getting released in the UK.

In the UK, mainstream and studio films typically take 90% or more of the box office¹⁷. Low and micro-budget films almost invariably are competing within the remaining 10% of the market against foreign language, US independent titles and higher budget UK productions. According to Laurence Gornall of The Works, "it is very rare for a micro-budget title to make it into the mainstream". Another factor which may be limiting the number of low and micro-budget films entering the distribution marketplace is the limited availability of slots for such films on television which, according to some distributors, makes it hard to make low budget films viable.

Indeed the difficulty of finding a market for completed films was one of the most common comments from producers responding to the research survey. The alleged conservatism of UK distributors was a sore point for many. The following quotes, from filmmaker's survey responses, are typical of this viewpoint: "Low budget films, mainly because of their lack of 'stars' in the cast, find it hard to secure distribution. Even though some low-budget films are very good, distributors or sales agents - even the smallest ones - want 'stars' in the cast".

"Making movies is relatively easy. Distribution is impossible".

One producer even made a plea for a return to the quota system: "Look at the top 100 grossing films and they are predominantly US. This means we need to campaign for a quota of UK productions to be distributed in UK cinemas".

In contrast at least one producer surveyed had a starkly realistic message for his peers: "To all aspiring filmmakers – would you watch the film you're about to make?"

This disjuncture between distribution and production was echoed by some interviewees with some suggesting that, conversely, low and micro-budget filmmakers tended not to think about the marketing of and audience for their film early enough. Many sales agents commented that too often low and micro-budget producers did not deliver completion materials and documentation, which made any subsequent exploitation by distributors difficult.

For distributors, the release of a low or micro-budget film presented the same challenges as for any title. A typical comment was "when we plan a release we

¹⁷ The top five UK distributors for 2006 were 20th Century Fox, UIP, Sony Pictures, Buena Vista and Warner Bros: they accounted for almost 80% of the market, with 62 other distributors competing for the remaining 20%. In 2006 the top 100 films in the UK accounted for almost 89% of the box office. The remaining 405 films accounted for 11% of box office. 244 US films (including US co-productions) accounted for 48% of releases but 92% of box office. 57.9% of UK-produced films released in the UK in 2006 took less than £0.1m at the box office. (Source: UK Film Council Statistical Yearbook 2006/07).

think about the market not the budget” (Managing Director, independent distributor).

The Head of Strategy at one of the UK’s older independent distributors believes that low and micro-budget films as a sector are finding the market very hard currently but that this is cyclical. Changes already underway in the broader film industry, such as video on demand, will enable low and micro-budget films to find new markets. Clare Binns of specialised exhibition chain City Screen thought that the ability to screen digital films in cinemas could potentially have a huge impact on the market but to realise this potential for low and micro-budget films, distributors would need to adopt much more flexible strategies to allow a full spectrum of films to be seen.

Whilst some interviewees spoke of downloading and online exhibition as offering opportunities to sidestep the constraints of traditional distribution, there was little evidence that online distribution was currently delivering either significant revenues or mainstream exposure for low and micro-budget films, though there were two significant exceptions where over £100,000 was reported as being generated from internet downloads alone. The authors believe that at least one of these is likely to be erroneous and should be discounted. None of the other producers responding to the survey who volunteered information on download sales (a very small base of only 37) reported download income of over £5,000. The actual value of the online market for film appears to be a critical area for low and, especially, micro-budget films and one where further research seems merited.

Many titles were, however, able to use the internet to sell DVDs and it appeared that for some, the stigma of the old label ‘straight to video’ had diminished.

Whilst some distributors and producers were enthusiastic about the potential of the internet as a mechanism for building a buzz and an audience for a film (either in cinemas or on DVD), others pointed out that the bigger marketing budgets of the studios and ubiquity of commercial film sites militated against low and micro-budget films using viral marketing and internet chat to break through into the mainstream.

“Digital technology should have an impact but that is not reflected yet. The myth of people launching films from their bedrooms (in the way that bands launch online) is currently just that – a myth”. Head of Strategy, independent distributor.

There appears to be little real innovation yet from UK-based low and micro-budget feature film producers in terms of using the web to market and distribute films and otherwise build an audience for their works. According to Liz Rosenthal¹⁸, in the UK most innovation in the use of the internet emerges from non-feature sectors (e.g. television, shorts, animation and advertising) and from US-based companies and individuals. Even in the USA she observes that revenues generated from digital downloads and pay per view are still insignificant with most filmmakers concentrating on DVD sales (where margins are higher). Alfred Chubb of UK-based film download site Vizumi (www.vizumi.com) agrees that there are very few innovations from the UK micro-budget sector. More than one cinema distributor thought that online innovation was mainly delivered by mainstream, studio films: their budget for web presence was often higher than

¹⁸ Liz Rosenthal currently manages Power to the Pixel and has been involved in independent and low-budget film with a particular focus on digital developments for over ten years.

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the total production budget of a micro-budget film and so their ability to innovate was not surprising.

Both Rosenthal and Chubb consider that conventional distribution routes are failing to deliver any real benefit to the great majority of low and micro-budget films produced in the UK and internationally. As Rosenthal put it, "micro-budget features will have to go online in one form or another". From his perspective of running a successful, legal download site, Chubb considers that – currently at least – the whole market for film product is very largely driven by the sort of wide exposure which cinema release can deliver: "It is difficult to drive users to content if general awareness of the content is low – micro-budget filmmakers without other format deals need to attract their own audience through innovation". This was a view with which many distributors agreed. Real innovation and entrepreneurship on the part of producers will be needed to develop new business models and opportunities.

“Cinema will not exist in its current form.”

8 Exhibition

A questionnaire was sent to around 500 venues on the database of the Independent Cinema Office to solicit the views of venue managers and programmers on their booking of low and micro-budget films and the reaction of audiences to such titles. Despite a very low response rate¹⁹ the responses received cover a wide range of venue types including:

- Arts centres in rural and urban locations
- Single screen specialised venues
- Multi screen specialised venues
- A specialised cinema chain.

The response is not large enough to be statistically significant however it covers the full spectrum of venues which form the main marketplace for low and micro-budget titles. Conversations with cinema managers and programmers give some confidence that these views are typical of the views of the broader exhibition sector.

Unsurprisingly, given the small number of low and micro-budget films distributed, few venues had screened many low and micro-budget films. However many respondents thought that the number of low and micro-budget films they showed would grow in future (just under half thought it would grow a little or grow a lot) and a further third thought the number would stay more or less the same. For the majority the fact that a film had a low budget was of no influence when deciding whether to programme it or not. Furthermore several programmers commented that they had no effective way of knowing whether a film was low budget when they were considering booking it.

Respondents were split as to whether low and micro-budget films were a positive or negative factor in audiences' decisions to see a particular film. The largest single group felt that low budget had no particular effect on audience choice. Only a few felt that the effect was positive, encouraging audiences to see a particular title. Around half of those responding felt that low and micro-budget films discouraged audiences either a little or strongly. When asked to comment many programmers said that they believed that the 'normal' deciding factors – plot, genre, reviews and overall quality – held true for low and micro-budget features, with the lack of star names (and often low marketing spend) counting against this sector in audience selections.

When other interviewees looked at the exhibition sector, there was some scepticism that the rolling out of digital projection would inevitably produce extensive opportunities for low and micro-budget films. Lenny Crooks, Head of the UK Film Council's New Cinema Fund, for example sees little evidence that the Digital Screen Network is in itself creating more opportunities for smaller films but that digital screens are as often (or more often) allowing very big studio films to step down into smaller auditoria for the later parts of their run.

There was some guarded optimism about what the next 5 years would see for exhibition and whether this would benefit low and micro-budget films. At one extreme, Equity's Tim Gale expressed his personal view that “cinema will not exist

¹⁹ Only 14 cinemas responded.

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in its current form". He foresaw a much more multi-platform and interactive experience which would offer a huge potential for the low budget sector, leading to many more spaces where films can be seen.

One senior representative of a broadcaster's film arm thought that exhibition faces an interesting and potentially exciting time, with windows changing, pricing models changing, more non-film product (i.e. live events etc.) which could revitalise cinema-going. Amongst others however Tim Willis, Head of Film at PACT, sees there being a risk that low budget films will be increasingly squeezed out of the exhibition marketplace by the increasing marketing savoir-faire (and budgets) of mainstream distributors.

For many low and micro-budget producers, festival screenings play a very central role in their exhibition and promotional plans. There are examples of small films gaining considerable exposure from festival screenings – and even breaking through into the mainstream. The research survey shows that, whilst 55% of the films had played at UK festivals and 55% at non-UK festivals, this still leaves a very high proportion of low and micro-budget films with little or no formal, public exhibition. There was a clear stratum of opinion among filmmakers surveyed that there were too many films chasing too few festival opportunities – with many feeling that festival programmers were uninterested in showcasing independent, low and micro-budget film:

"For micro-budget features shot using 'guerilla' tactics there is a paucity of festivals in the UK interested or geared to taking them. Likewise for markets or distribution. The outsider remains an outsider".

"There needs to be greater support from British film festivals that purport to be showcases for independent film but in actual fact are not interested in showing micro-budget British films. Without this kind of exposure it is virtually impossible for these films to find their audience".

"It would be great, and extremely helpful, to have... a dedicated network of cinemas and venues around the UK that would screen low budget films so the filmmakers can get a public reaction to their work and the public could see something that wasn't mainstream".

Does the market serve low and micro-budget films efficiently?

Given the concerns expressed by some respondents and interviewees that a "bottleneck" prevents films from finding their audience, either in the UK or internationally, further research was performed to seek an objective measure of the effectiveness of the current mechanisms for launching a low or micro budgeted film made in the UK.

A sample of films was selected²⁰ for viewing, based upon their not having achieved success in traditional distribution or exhibition routes. Two different selection criteria were used:

²⁰ Selection was made using randomly generated numbers.

- Those which had neither been released in the UK for theatrical exhibition nor had been screened at either of the two leading UK film festivals (taken for this purpose to be the London Film Festival and Edinburgh International Film Festival).
- Those which had not been represented at a relevant film market²¹ by a relevant²² sales agent.

These films were viewed by a small group of experts (principally programmers for specialised cinemas and/or film festivals; and representatives of FEUK sales agents)²³. They were asked to comment on their perception of the strength of these films in their professional view. The sales agents were asked whether they would expect the films to be represented at principal film market by a professional sales agent; and if they would anticipate that the film could be successfully released by a professional distributor in the UK or elsewhere. The programmers were asked whether they would have expected the films to be exhibited at a festival of major national or international significance; whether they would have expected the films to be exhibited either in mainstream or specialised cinemas; and whether they considered that the films made a contribution to the UK's film culture (e.g. successfully addressed issues of social or cultural significance or innovated in form or content).

It is perhaps interesting to note that, although these films were selected on the basis of an apparent lack of success, around half of them were available to buy as DVDs, many via mainstream commercial sites such as Amazon (the remainder were obtained directly from the producers).

It is perhaps not totally surprising that, in the view of all reviewers, the majority of the titles were thought to be poor by all of the criteria. Some comments were very tough:

"Did anyone read the script before the first day of filming?" "I am at a loss as to why this film was made". "Unpleasant, with too much bad language - not a substitute for hard work". "Just awful dialogue and acting". "Adolescent porn".

For other titles, whilst reviewers were still not of the opinion that the films were strong enough to merit festival showing or release, they were more positive: "A good learning exercise for the talent involved"; "...it should become a calling card for the director and two lead actors".

At least one title which was reviewed by both groups received extremely divergent opinions, as is clearly demonstrated by the following quotes about one film:

"Painful dialogue, very slow and bad production values".

"It has an austere beauty... The director really understands space and framing".

As the last comment indicates, not all of the films were seen as being creatively unsuccessful, indeed, on the basis of the research, there appears to be statistically

²¹ AFM, Berlin, Cannes, LUFF, Rome, Sundance, Toronto or Venice.

²² Defined for this purpose as being a member of FEUK or a member of IFTA which describes its principal area of business as international sales or international distribution.

²³ 46 reviews were completed of 38 titles, with 8 titles being reviewed by both a sales agent and programmer.

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significant²⁴ evidence that the market is failing to ensure that all films that merit distribution in the UK or representation abroad by a professional sales agent achieve their potential, though these should only be regarded as preliminary conclusions.

In percentage terms, 15.2% of films reviewed were thought to be strong enough to merit wider exposure and a theatrical release (of one scale or another) in the UK or another territory. Research for this project indicates that around 75% of low and micro-budget films would have fallen into the criteria used to select titles for this review exercise²⁵. If the results are representative²⁶ of all low and micro-budget films, some 40-50 films may have had their qualities overlooked and the progress of the filmmaker's careers diverted or delayed as a result.

²⁴ The size of the population and the sample allow an 80% confidence level, however this only applies to the results derived from the survey of sales agents. The survey of programmers was, in statistical terms, inconclusive.

²⁵ i.e. were 'unsuccessful' in terms of mainstream sales, festivals and release

²⁶ Care must be taken in extrapolating out from the exercise performed for this report; the level of confidence achieved, 80%, is low in statistical terms and over 75% of the exceptions (i.e. where a film was perceived as being overlooked by the market) came from one reviewer. Critically, whilst within the artificial constraints of the exercise a significant proportion of films appear not to claim a relevant place in the market, in the real world of the film industry this may simply reflect a lack of ambition, expertise or experience on the part of the producers of the films. The research may have merely highlighted a poor correlation between the skills required to make a film and the skills required to reach an audience for a film amongst the teams responsible for their production.

“The most common business model on illegal/irresponsible micro-budget films is for producers to compensate for their failure to raise funds by getting crew and cast to work unpaid. I suppose that’s a ‘business model’ in the same sense that burglary is a ‘business model’.”

9 Business models

The question of whether there was a distinct low or micro-budget business model was subject to some discussion and interpretation. In the course of interviews, three distinct interpretations emerged:

- A business model for the financing, making and exploitation of an individual film
- A business model which would make the production of a slate of films possible and sustainable
- A business model for the low and micro-budget sector (i.e. a discussion of the sustainability and profitability of this approach to making films per se).

Individual films

Few interviewees felt that there was a genuinely sustainable and practical model for the making of a series of individual films at very low budgets: the commonly-expressed view was that very few individual filmmakers, even having made one successful (i.e. completed and distributed) film, would be able to – or would wish to – make one after another in a unilateral fashion with continuing success.

For example, Alastair Clark, co-producer of *London to Brighton*, emphasised in interview that he and his producing partner Rachel Robey could not repeat what they did on *London to Brighton*, because they had used up all their favours (in terms of free or very discounted equipment, crew generosity etc.). Clark does not believe micro-budget should be considered as a business model for film production. Instead, he feels that the value of low and micro-budget filmmaking is that it affords emerging talent the first step on the feature filmmaking ladder.

That is not to say that there was consensus that making such films had no value other than as a ‘calling card’; one of the motivations for the board of Film London in creating the Microwave scheme, for example, was to encourage the emergence of an entrepreneurial culture of filmmaking on the US/New York model. In particular Film London Chair Sandy Lieberman, with long experience of the film production scene in both the UK and USA, was eager to test out what the UK equivalent to the US model might be like, and what impact it might have in London.

One interviewee, Film4’s Peter Carlton, was of the opinion that many low and micro-budget auteurs use approaches to building a film which were pioneered by – for example – the London Filmmakers’ Co-op. Because these films worked at such small budgets they could focus on very niche audiences and, potentially, reach them in unconventional ways.

Slates of films

There is a small number of comparatively new companies which have the declared intention of producing slates of feature films at low or micro-budget levels. Chief amongst these are Warp X, Slingshot and Vertigo²⁷. Of these, two are supported

²⁷ Moxie, the recently-announced partnership between production company Ipso Facto Films, sales agent Moviehouse Entertainment and distributor Soda Pictures adds to this group of UK micro-studios. The partnership aims to produce and distribute up to four micro-budget features a year, producing them under the label Moxie Makers, distributing them as Moxie Releasing with sales through joint international sales label Moxie International.

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to varying degrees by public agencies (and in the case of Warp X, a major broadcaster). Many interviewed agreed that these were interesting models with strong chances of success. It is early to assess whether in the long term these can make sufficient returns and attract investment in order to be financially viable. In each case, whilst they do make films within this study's under £1 million budget level, their definition of low budget is more flexible. The experience of the Warp X team for example indicates that their films work best at "very low budget" (c. £400,000-450,000) or "high low budget" of up to £1.3 million.

Both Peter Carlton (Senior Commissioning Executive - Film4) and Lenny Crooks (Head of New Cinema Fund, UK Film Council) were aware that the involvement of both of their companies brought costs to the Warp X model which a fully private sector project might not need to take on board. A film costing Warp X around £1.2 million might be delivered by entirely private investment for under £1 million. Jane Wright of BBC Films agreed that public money carried a public responsibility: "as (the BBC is) funded by licence fee payers that extends to us: we can't ignore guild minimums and other standards."

"Use of public funding brings disciplines and some of these have affected budgets, introducing costs that a privately financed micro-budget title might exclude (e.g. bond and insurance, archive prints, Skillset levy etc)". Lenny Crooks, Head of New Cinema Fund, UK Film Council

"The need to pay, eg Skillset²⁸ levy, remunerate trainees and so on has tended to create a 'high low budget' bracket of films costing up to around £1.2 million, where a private sector-only production might be able to make the same film at £800,000-£1million." Peter Carlton, Film4

The low and micro-budget sector

"There is in my view a huge question as to how sustainable a business low and especially micro-budget production is. It seems to be more a case of either you make an impact and move up or move out. If you stay in the low/micro budget game for any length of time it has to be a decision based on non-commercial factors". Richard Mansell, Head of Business and Legal Affairs, Hanway Films

To some extent it is difficult to separate 'the sector' from the individual films. However many interviewees were interested to comment upon the business and commercial outlook of this sector generically.

David Martin, CEO of the Production Guild, thought that there was "a sort of anti-business model" whereby films were made as stand alone calling cards not, in the main, as an audience-focused entertainment with distribution attached, or part of an ongoing, coherent film production business within the market.

²⁸The Skills Investment Fund (SIF) is a levy on film production in the UK. Currently payment is a condition of public funding but otherwise contribution is not mandatory. Producers are required to contribute 0.5% of their total production budget (with a ceiling of up to £39,500) to invest into the training and development of the professionals and companies they require for the future. The collection of the SIF is managed by Skillset and then invested in training through the Skillset Film Skills Fund

Several interviewees noted that there is a hidden subsidy for low and micro-budget films in the form of discounts from equipment and facilities companies. David Martin noted that businesses' ability to discount in this way is reliant on a continuing flow of higher budget films to provide core solvency for businesses to be able to cross-subsidise.

There was concern over certain business practices which some interviewees saw as being too prevalent in low and micro-budget filmmaking – flouting minimum wage regulations, poor health and safety practice, weak or inappropriate contractual relationships and so on. Martin Spence, Assistant General Secretary of BECTU, distinguishes legitimate/honourable low-budget films from illegal/irresponsible low and micro-budget films. In Spence's view, legitimate/honourable low and micro-budget films can play a valuable role by creating opportunities for hands-on filmmaking experience, and by creating space for genuine creativity and experiment but that illegal/irresponsible micro-budget film practices play no valuable role:

"The most common business model on illegal/irresponsible micro-budget films is for producers to compensate for their failure to raise funds by getting crew/cast to work unpaid. I suppose that's a 'business model' in the same sense that burglary is a 'business model'".

From the point of view of the Production Guild, David Martin wonders how common exploitation/self-exploitation is within the sector. He notes that the national minimum wage may limit some exploitation – but is probably honoured more in the breach than observance. He also observes that poor business practices within the sector may limit the value of work on low and micro-budget productions as a training experience for many grades and departments.

Perhaps unsurprisingly there is evidence that talent agents are unenthusiastic about low and micro-budget business practices (or at least the fees that those practices lead to) with one talent agent observing that "there is nothing very attractive about clients working cheaply". She also observed however that a different business model is required for this sector as at the moment there are no really satisfactory models that ensure that writers / directors benefit from the differing platforms on which their work may be exploited.

There was some support for the notion that all parts of the film value chain needed to adapt to low and micro-budget working if a viable business model were to emerge. Miles Ketley of Wiggins Solicitors noted that the unconventional structure of Wiggins' Media Division was able to respond better to the needs of low and micro-budget filmmakers but that, from his point of view, few legal, business or financial companies had responded to the needs of the sector.

"The risk mitigation habits of traditional financiers, especially public financiers, haven't changed even if the filmmakers are taking creative risks. Filmmakers at this level can be very entrepreneurial and innovative, but need support. We often subsidise the deals... Making low budget films exposes you to the weakest chain in the link, if one party can't adapt then everyone suffers". Miles Ketley, Wiggins Solicitors.

The view that financiers in particular needed to take a different stance on risk mitigation was made by more than one interviewee. Skillset's Janine Marmot noted that there was clearly a precedent in the US for making money by making low or micro-budget films. This was dependent on a fairly open minded attitude

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on the part of the financiers to support low and micro-budget films without some of the comforts afforded to investors in higher budget films otherwise the whole filmmaking process is endangered by applying conventions that are inappropriate.

According to Sue Pettican of Barclays Media Banking division, for the banks, working with low and micro-budget films is much harder. Accommodating low and micro-budget producers' business models is problematic as often they are dealing with first time producers who do not have any business experience. Financing is harder because it is difficult for a bank to lend money to inexperienced people in any profession, let alone filmmaking which is high risk with little or no return.

CASE STUDY: A MICRO STUDIO

Film:	Sugarhouse
Production company:	Slingshot Productions
Producers:	Oliver Milburn, Matthew Justice, Arvind David, Rachel Connors, Ben Dixon, Michael Riley
Director:	Gary Love
Writer:	Dominic Leyton

Director Gary Love is an established television director and *Sugarhouse* is his first feature film, based on writer Dominic Leyton's debut stage play, *Collision*.

Sugarhouse was shot at locations within a three-mile radius, and the production office was based at the main location – a warehouse, which contained converted offices and studio space. Various forms of multi-tasking also took place, eg runners doubled as drivers. The production was not bonded.

The post-production took 16 weeks to complete, with 12 weeks full-time spent in the offline edit. Grading was scheduled around the grader's other commitments and was conducted in the weekends. There are 27 special effects shots in the film, including blood effects. The effects were mainly made using CGI, but the production also had a good stunt team to perform on-camera.

The producers' experience was that pre-production time is crucial as low budget allows for no margin of error and everything has to be thought out in advance of principal photography. Where the norm would be to allow twice the duration of the shoot period for pre-production, the experience of *Sugarhouse* taught Slingshot to allow more time (seven weeks) for the pre-production of their next feature project. Whilst an additional week of pre-production increases the costs initially, the investment will be paid back as savings later on in the process.

Sugarhouse is distributed in the UK by Slingshot Studios. According to Arvind David, early involvement and commitment from a distributor, at least in the producer's key territory, was crucial. This ensures quality checks on the script the cast and other package elements are made before the film goes into production. David feels it is a mistake to think that every producer can self-distribute. Slingshot is a production and distribution company, with dedicated marketing and distribution resources, not a production company 'self-distributing'. The distribution business requires considerable resources – both skills and capital.

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“Wherever people want to make films, they make them.”

10 Low and micro budget film schemes

There are six strands or schemes involving the National and Regional Screen Agencies including the Warp X initiative which was initiated with the support of the UK Film Council. All of these use public funds to support the production of low and micro-budget films and therefore constitute state aids under relevant European regulations. Outlines of each scheme are set out below. They differ in design and intention: some, including Warp X and Screen West Midlands’ partnership with Slingshot, are market-focused interventions intended to make films that will make money; others, such as Northern Film and Media’s Atomic Pictures or North West Vision’s Digital Departures prioritise training and career/company development objectives.

Of the 12 National and Regional Screen Agencies, seven currently operate or are partners in low and micro-budget production projects, whilst Warp X operates UK-wide. These programmes are considered below.

WARP X

Objectives and partners

Warp X is a pioneering new digital film studio based in Sheffield, with offices in Nottingham and London, and is allied to Warp Films and Warp Records. It aspires to be a sustainable digital studio that is driven by creative talent and a dynamic digital business model that rewards everyone involved in the films.

Warp X’s slate of films is managed and produced under the Low Budget Feature Film Scheme set up by UK Film Council’s New Cinema Fund and Film4. Other key financial backers are EM Media and Screen Yorkshire. Optimum Releasing is closely involved in the development process, and will distribute the films theatrically and on DVD in the UK. Channel 4 will take UK television rights.

Warp X aims to make low budget, commercially viable films and concentrates on genre films as the company believes that genre niches offer the strongest potential to make a return. Warp X wants to develop its brand as a selling point for distributors, sales agents and audiences.

Budget level

Warp X has no fixed budget levels. Experience so far has indicated that Warp X projects tend to work either at ‘micro-budgets’ of around £400,000-450,000 or ‘high low budget’ of up to £1.3 million.

Support for filmmakers

Warp X is not a scheme per se but works as a hybrid of a mini-studio and production company. Whilst it initially had an open submission process, projects are selected on the basis of perceived quality and an assessment of their capacity to find an audience and achieve a commercial return. The Warp X Development Team commissions projects for initial development (up to a maximum spend of

£5,000). Decisions for further development/production are taken in conjunction with financiers and the scheme's distribution partner (Optimum).

In keeping with the aspirations of its public sector partners, Warp X took onto its development slate four female directors from the UK Film Council's Darklight scheme (for female directors in the horror genre). The company hopes that two of these will go into production. It also has a target for two projects to be taken onto development slate from the UK Film Council's Breakout scheme for black and minority ethnic filmmakers and for one of these to go into production.

Full in-house support is offered throughout development and production. For example development is supported by a dedicated executive (Caroline Cooper Charles) and, where appropriate, a script editor. Led by Barry Ryan, its Head of Production, the Warp X team supports the production process and Mark Herbert and Robin Gutch (Warp X's managing directors) act as producers on each film.

Production process

Currently Warp X most often works with new talent. The company would however be interested to work with more experienced filmmakers looking to exploit the creative freedom and ability to move quickly into production that a very low budget provides. Caroline Cooper Charles and Barry Ryan say that filmmakers are aware of the 'pain' involved in traditional filmmaking – especially in getting a film to the point at which production can start – and believe that Warp X can offer a comparatively 'pain-free' experience. The trade off is that low budget film strips the frills out of the production process – winnebagos, special assistants and ritzy catering: as Caroline Cooper Charles put it, taking the glamour out of the film industry. Attitude is important – the whole cast and crew have to take a more egalitarian approach than on high budget productions. A can-do attitude is essential, and a willingness to innovate and improvise. The whole cast and crew need to take ownership of the production. Warp X creates an avenue for cast and crew to get money via recoupment at the same point as the financiers in recognition of the lower fees and salaries.

At the outset, there was a need to rethink the filmmaking process and many of the needs and requirements of low budget filmmaking only became apparent during the process of production. Difficult discussions were needed with Warp X's public sector partners in order to get acceptance of approaches needed in employment practice to make films at low budgets, or delivery requirements (eg the need for a 35mm print to be deposited in the BFI Film Archive).

One of the benefits of the Warp X approach over and above making one-off low budget features is that Warp X has been able to form strong, lasting relationships with sales agents and other industry sectors, building trust in the brand and the product. Warp X has developed an efficient development process and can move quickly to get titles into production. In part this is expediency as Warp X depends on greenlighting films to earn its overhead.

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The future

Warp X considers that the British film industry needs a healthy micro sector in order to build sustainability via:

- A continuing cycle of productions
- Flow of talent
- Affordability (rather than mid-budget titles losing money)
- Innovation.

MICROWAVE

Objectives and partners

Microwave is Film London's micro-budget film scheme. The BBC is the agency's primary partner on Microwave, taking television rights to the films produced in exchange for a financial contribution to the scheme. Skillset has provided support for Microwave's associated training provision. The scheme has attracted a wide range of in-kind sponsors who contribute services or facilities at reduced rates. These include AFM Lighting, Ealing Studios, Fujifilm and media lawyers Olswang.

When originally looking at potential interventions in production, Film London wished to find an approach which added value to schemes already in existence from other agencies in the UK. They were aware that, unlike some RSAs, Film London was unlikely to get large sums of ERDF²⁹ investment for production. Chair Sandy Lieberson and other board members were 'evangelical' about making a radical intervention on a new model, responding to the opinion that UK films cost too much and were hide-bound by contracts and legals. This traditional system excluded people from filmmaking opportunities. They wished to encourage the emergence of an entrepreneurial culture of filmmaking on the US/New York model and wanted to test out what a UK model might look like.

Before the scheme was launched there was a substantial development process and discussion at board level about the investment model to take (pure grant? supportive production framework?). The development process brought out inevitable friction between the need for accountability for public funds, a desire to provide a safety net for filmmakers, and a scheme which would maximise creative freedom and entrepreneurship.

Film London's immediate objectives for Microwave were to create a training-through-production scheme. It aims to deliver opportunities for whole production teams (not just writers, directors and producers) to progress within the industry by enabling feature production in a supportive environment and at a budget level where creative and process risks could be taken.

²⁹ The European Union's European Regional Development Fund

Selection/commissioning process

Microwave has a two-stage selection process. A first selection is made based upon scripts and the strength of the production team. This is very rigorous, using high-quality external readers and assessors/mentors as well as an internal business assessment. Successful applicants go on to Microschool the Microwave training programme. Following that, teams pitch their project to a specialist panel and a second selection is made to greenlight two to three films in each round.

Microwave has strong objectives for access and diversity. Over the first two rounds of application, the scheme had developed better targeting to promote diversity – partly via word of mouth, partly through building knowledge of where to place roadshows and other promotion/marketing activity. Film London hopes in future to better target the scheme to attract women directors.

Budget level

Microwave can provide a maximum cash budget of £75,000 with the option of individual films raising additional in-kind support to take the total production budget to £100,000.

Maggie Ellis, Film London's Head of Production noted that in the first round of applications, many proposals were in reality medium/high budget films 'cut down' artificially to meet the budget requirement. The second round saw most applicants working within the budget constraint – "writing to scale".

Support for filmmakers

The initial Microschool was a three-day (now four-day) intensive programme of seminars and workshops. It has proved to benefit even the teams which do not make the final Microwave cut with at least one team going into production with another financier (and at a higher budget level than the Microwave scheme provides).

During production the filmmaking teams benefit from bespoke training sessions based on their individual needs of teams, complimented by top-level mentors providing personal support and career advice. This unique professional mentoring scheme allows the teams to learn from leading industry figures including directors Stephen Frears (*Mrs Henderson Presents*), Gurinder Chadha (*Bride and Prejudice*), and John Akomfrah (*Seven Songs for Malcolm X*); and producers Sandy Lieberman (*Rita, Sue and Bob Too*), Jeremy Thomas (*Sexy Beast*) and James Schamus (*Brokeback Mountain*). Film London also intends to use documentary footage of the films being made, as well as transcripts of seminars and interviews as an online learning resource for all micro-budget filmmakers.

Film London also offers an integrated service to Microwave productions with the project and individual films benefiting from support from Locations, Training, Finance and other internal departments. Film London has created a package of templates and procedures to support the development and production process – for example guidance on clearances, model contracts, call sheets etc. Adrian Wootton, Film London CEO notes the potential for these to be used more widely – for example in other RSA schemes.

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Production process

As noted above, Microwave offers a package of support during the production process, balancing this with a clear desire to allow the productions maximum creative and entrepreneurial freedom.

Whilst Microwave is a micro-budget scheme, Maggie Ellis does not think that it is – or should be – necessarily a digital scheme. Using unfamiliar new technology can create problems and expense at post-production. It is possible to shoot even at Microwave budget levels on film – Microwave project ‘Shifty’ is shooting on 16mm. In Ellis’ view, it is important to use the right technology for the project and the director/team and not force productions down a particular technological solution.

The future

Adrian Wootton thinks that there may be a business model based upon the Microwave experiment: the problem is in the overhead. Film London swallows a big chunk of overhead for Microwave and it is not clear how a fully commercial slate would cover its overhead at these budget levels.

For Film London, micro-budget filmmaking can allow people to move quickly from making shorts to making features – if they have the ideas and talent. Micro-budget films can let filmmakers exercise talent and imagination outside the limitations placed by mainstream financiers. The experience of the scheme is that aspirant micro-budget producers need to have audiences and distribution firmly in mind at all stages of the development and production process.

Adrian Wootton would like to see Microwave-style opportunities available nationally either through a single national scheme or an interlinked mosaic of similar programmes.

EXPRESS FILM FUND

Objectives and partners

Scottish Screen’s Express Film Fund (Express) is the most straightforwardly conventional of all of the N/RSA low and micro-budget schemes. It is entirely funded from Scottish Screen. It is the successor to New Found Films, a joint venture between Scottish Screen and Scottish Television³⁰.

Express aims to fast track production companies by enabling them to produce innovative projects that have the potential to:

- Significantly raise the profile of individual talent and companies within a national and international context.
- Attract market and public interest thus generating income for the company and/or the project’s key creators.

³⁰ Scottish Television is not a partner on Express.

The primary objective is to support career advancement for filmmakers – and to allow a risk-taking approach which would be difficult on higher-budget films. Express will support projects that might be considered unconventional or projects that approach the filmmaking process in a non-traditional way, eg devised or work-shopped productions. Express can also support the production of one-off TV drama.

Budget level

Scottish Screen has an annual budget of £300,000 for Express with a maximum award of £150,000. There is a minimum partnership funding requirement of 50%, half of which can be in kind.

Selection/commissioning process

Express works with an open application process. Projects are assessed against Scottish Screen's Investment Criteria and decisions taken by an internal investment committee. The process is simple and transparent.

Support for filmmakers/production process

Express does not offer a training programme or package of support for filmmakers. Carole Sheridan, Scottish Screen's Head of Talent and Creativity, and her team monitor and provide basic support.

The future

Carole Sheridan perceives a changing attitude to low and micro-budget film from sales, distribution and financiers, brought about by the success of certain titles such as *Once*, a micro-budget film supported by the Irish Film Board and RTE, which took £9 million in the USA. However this thawing in attitude, and continuing funding for low and micro-budget film will depend on a continuing flow (or trickle) of breakthrough 'hits'.

DIGITAL DEPARTURES

Objectives and partners

Digital Departures was launched as part of North West Vision + Media's (NWV+M) contribution to the 2008 Capital of Culture celebrations in Liverpool. Partners in the initiative are the Liverpool Culture Company, the UK Film Council and the BBC. Skillsset is supporting Digital Arrivals, the initiative's training element. The BBC is taking certain UK broadcast TV rights.

Three Digital Departures films will be made and fully financed by the partners. They will be developed, shot and post-produced in Liverpool and will premiere in the city in the autumn of 2008.

One of NWV+M's objectives for Digital Departures was to fill in a missing step between the agency's short film initiatives and mainstream feature film

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production. The agency places a particular emphasis on developing producers who are committed to the region. So the priority is in developing talent. Priorities were to respond to demands from local constituency around support for this type of filmmaking and to establish the North West as a centre of excellence for low and micro-budget filmmaking.

Budget level

Each Digital Departures film will have a budget of £250,000.

Selection/commissioning process

A feature of the initiative is that an independent industry figure from outside the region was brought in as Executive Producer – a feature introduced to ensure that industry experience was embedded into the initiative from the outset and to bring a strengthened perception of objectivity to the selection process. NWV+M – along with many National and Regional Screen Agencies had in the past been accused of preferring a narrow clique of filmmakers within the region. One of the challenges of the initiative has been its geographical (sub-regional) focus, which has been a target of criticism. The sub-regional focus (on Merseyside) was a requirement of ERDF funding used for the scheme. The initiative ameliorates this focus by encouraging submissions from filmmaking teams (writer/producer/director) only one of whom had to be based in the sub-region.

Submissions were invited from writer/producer/director teams. 12 projects were selected to go into the Initial Development Phase which took projects from outline/pitch to full treatment/step outline and developed other elements in the package. The teams then pitched to an industry panel. The same panel reviewed the developed material and other elements of the package. Six projects were selected to Full Development Phase.

Digital Departures did not have explicit targets for diversity or access. These were deliberately left open to enable new talent to work alongside more established filmmakers within teams. Similarly, the initiative is hoping to encourage links that extend beyond the region and beyond the UK.

Support for filmmakers

NWV+M organised workshop and networking events to assist applicants in the run-up to the initial submission deadline.

For project teams which succeeded in getting into Digital Departures, there was a comprehensive training through a bespoke initiative called Digital Arrivals. During Initial and Full Development Phases this connected teams with professional industry mentors. The Full Development Phase also incorporates master-classes from international industry mentors. For projects not selected to the Full Development Phase, or to go to production, assistance was offered to projects seeking development partners elsewhere.

Digital Departures has been successful in “galvanising a constituency”: the initiative received 156 submissions, 24 were short-listed, 12 selected for initial

development, and six for full development. The initiative has been inclusive in that value was added to projects even if they did not get through all the way. For example, the short-listed projects were followed up with meetings and feedback, and the agency assisted the teams in finding other opportunities.

Production process

NWV+M set up Digital Departures Ltd as a subsidiary company as a commissioning entity for the three productions. Digital Departures provided legal and accountancy advice during incorporation of limited companies at the start of the Full Development Phase. Throughout the process, and especially once projects are in production, they will benefit from on-going support from the Executive Producer, Head of Development and Production, Production Accountant and Production Co-ordinator. The aim of the commissioning entity model was to streamline the editorial and contractual process.

The future

Chris Moll, NWV+M's Director of Production, Trade and Investment, is clear that the agency had gone through a learning curve while delivering this initiative, learning a lot about low and micro-budget film and the design of initiatives providing support at this level. He notes that, at this level, the budget IS the aesthetic and has to be in mind from the start of the development process. In his opinion there is no template as to how a micro-budget film should be made.

"Wherever people want to make films, they make them; problem is, as soon as you try to apply some model to micro-budget filmmaking, it will slip through the fingers... We don't mind taking risks and people failing as long as they fail well and learn from it."

ATOMIC PICTURES

Objectives and partners

Northern Film and Media's (NFM) Atomic Pictures did not offer investment directly into individual productions. Instead it supported a North East-based production company – Pinball Films – to deliver a slate of between two and four micro-budget feature films over two years from 2008-10. As such its objectives were to facilitate the building and further development of sustainable film production companies in the region. For NFM, financial returns were probably a lower priority: the agency was looking for a professional business approach to low and micro-budget production and financial returns were part of that, but not the main driver for the scheme.

Budget level

Northern Film and Media will provide £100,000 to Pinball Films to allocate towards the production budgets of its slate of micro-budget feature films. The budget for each film must be between £100,000 and £150,000, and a minimum

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of 80% of this amount must be cash. NFM funding must make up a minimum of 15% of the production budget on each film. Pinball will raise the gap finance.

Selection/commissioning process

Pinball's slate of films will be selected on a fully commercial basis by the company itself.

Support for filmmakers/production process

Films are produced by Pinball as commercial ventures.

The future

NFM devised Atomic Pictures in large measure because of the relatively low number of feature film-capable production companies in the North East. Micro-budget was also attractive because producers are able to take a risk on new talent – therefore it becomes a more innovative and challenging way of working and gives ways to people coming from different backgrounds and perspectives. Helen Stearman, Production and Development Manager for NFM expressed the view that micro-budget films are bridging the gap between short films and features.

SCREEN WEST MIDLANDS/SLINGSHOT

Objectives and partners

Screen West Midlands' (SWM) deal with vertically-integrated micro-studio Slingshot is not a 'scheme' in the sense that Microwave or the Express Film Fund are. It is most similar to the Warp X initiative. In effect SWM is buying into the Slingshot philosophy and business model.

"Slingshot believes passionately in the creative and commercial potential of independent filmmaking talent. It is founded by individuals who believe that a new way of working is necessary to escape the current status quo in the British film industry. We want to work with filmmakers—actors, writers, directors, agents, producers—who have exceptional stories to tell. We further believe that digital technology has the potential to transform the way that films are made, distributed and marketed".³¹

In a press release when the partnership was announced, Arvind Ethan David, founder and CEO of Slingshot described SWM as "one of the most commercially minded of the Regional Screen Agencies".

SWM's primary objectives for projects made under its partnership with Slingshot are career advancement for the production team and inward investment to the region.

³¹ Slingshot website <http://www.slingshot-studios.com/about.htm>

Budget level

SWM has allocated approximately £1.25-1.5 million to the partnership. The agency will allocate up to £125k per film, with each film having a total budget in the range £200-500k.

Selection/commissioning process

SWM will solicit applications from regional producers with final decisions to greenlight projects being made by Slingshot in association with SWM on a commissioning model. Slingshot and SWM have agreed a 'mini-quota' for regional talent within the scheme.

Support for filmmakers

A creative and commercial 'bootcamp' will be organised for each team, backed by Skillset, where each team will get a chance to develop the script with the help of expert script editors, workshop the material with actors, and get feedback from a panel of sales agents. In addition, SWM will encourage a trainee programme to run alongside the film production, where each department takes on two to four trainees (depending on the location of the shoot). This will be financed with SWM's skills/development funding in addition to the core funding for the partnership.

Production process

The Slingshot approach allows for the production of feature films at what are described as "economically sustainable" budget levels (no higher than £500,000) by bringing together filmmaking talent, financiers and producers in a true partnership, sharing in both risk and upside.

The future

The Slingshot website states that:

"The... studio system can be taken on — not at its own game, perhaps, but with more subtle and intelligent approaches — with, for example, a carefully crafted and precisely aimed Slingshot.

By fixing budget levels, majority financing, and taking on the responsibilities of producing and distributing, Slingshot offers an unheard-of freedom for British filmmakers: freedom for experienced filmmakers to take risks, and for talent proven in other mediums (theatre, television, shorts) to make their transition to the big screen; freedom for writers to tell personal stories that will deeply touch a niche audience; and freedom for filmmakers to realise their vision away from the bewildering and endlessly time-consuming patchwork of independent finance and the hell of committee-driven development processes".

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CASE STUDY: THE ARTISTS' EXPERIENCE

Film:	Bata-ville – We are not Afraid of the Future
Project developed by:	Somewhere and Commissions East
Film produced by:	Somewhere and Illumina Digital
Producer:	Nina Pope
Writers/directors:	Nina Pope and Karen Guthrie

Bata-ville, the film, began as an art installation 'Bata-ville Travel Agency' in the former Bata shoe factory at East Tilbury. Visitors to the installation were invited to sign up for a free coach trip to the origins of the Bata shoe empire in Zlin in the Czech Republic. It took a year from the installation to raise funds and organise the trip.

The film was originally conceived as a record of the trip but in the words of Pope it has since "way outstripped expectations, taking on a life of its own". It is still screened at arts venues across the UK and was selected to premiere at the Edinburgh International Film Festival in 2005. The film did not have a distributor or a sales agent.

The overall budget of the project (installation and film) was approximately £96,000. The majority of this was raised from Arts Council England, Heritage Lottery Fund and the European Cultural Fund. Thurrock Council, who originally commissioned *Travel Agency* later put a small amount of funding into the film. The film benefited from some in kind contribution, eg the artists and Commissions East worked for a nominal fee; and Illumina Digital was flexible about editing rates. It is notable that the artists felt more comfortable raising funds from traditional arts sources since they had not worked in film before.

Being relative newcomers to filmmaking did not daunt the team. They rose to each new challenge by "over-preparing". This was particularly evident in post production where they worked closely with an editor (who they have subsequently collaborated with on other projects) and meticulously logged absolutely everything.

Bata-ville has shaped the way the Pope and Guthrie conceive their work. Filmmaking is now a central part of their approach. They have since made another low budget, feature length documentary, *Living with the Tudors*, supported by the Arts Council England and Channel 4 British Documentary Foundation (britdoc.org). The idea had been in development for three years. *Bata-ville* has given them the confidence and experience to make it as a film. A significant development in this project is the addition of a distributor (Soda Pictures).

Pope and Guthrie don't imagine they will ever make standard commissioned documentary films but they do want to continue to work in a sort of hybrid form of art and documentary.

“Thanks to advances in computer technology... the filmmaker can go out and shoot whatever he or she wants.”

11 Public policy and support

The UK government’s employment and film-specific legislative framework has a substantial strategic influence on this sector. The new film tax reliefs are too recent to make an assessment of their benefit to this sector although a few producers surveyed were of the opinion that the new relief presented an opportunity for filmmakers with budgets under £1 million. Any future study of the impact of the tax relief on the film industry should perhaps include analysis of the low and micro-budget sector taking the three broad sub-categories set out in section three of this document.

Other areas of government legislation – health and safety, minimum wage, contract and employment law – provide the legal environment for low and micro-budget filmmaking as much as that at higher budget levels. As has been noted above, a minority of low and micro-budget films appear to evade or ignore parts of that legal environment.

To the extent that first time filmmakers working on low and micro-budgets do not fulfil the full requirements of the legislative environment, many are undoubtedly unaware of the detail, its applicability to them, or techniques for ensuring that the filmmaking process complies efficiently with all relevant legislation. There appears to be a continuing need to provide training and other support to fully professionalise practice in this respect. However the research provides some anecdotal evidence that a small minority of filmmakers deliberately ignore minimum wage and other employment law.

Public policy specifically for low and micro-budget film is, within the terms of this paper, taken to derive from the UK’s public agencies with responsibility for film: the UK Film Council, Skillset, the nine Regional Screen Agencies³² and three National Screen Agencies³³. The issue of the level of budgets for UK features was first addressed systematically in the *Relph Report*, commissioned by the UK Film Council and published in 2002. This concentrated on lowering the production cost of films costing, at that time, between £2-4 million. Many of its recommendations – and its general view of the industry – were applicable to lower budget film. The production guidelines produced following the publication of the *Relph Report* provide useful guidance on approaches to low budget production.

Since 2002, the main interventions which are specifically designed to aid low and micro-budget film production are the production funding schemes outlined in section nine. Perhaps unsurprisingly, many of the producers surveyed felt that the network of support for low and micro-budget filmmakers was inadequate – with a clear minority of filmmakers suggesting that the ‘film establishment’ was actively hostile to new talent through design, ignorance or cultural prejudice. Several producers expressed the view that public funders were prejudiced in favour of social realism and declined to invest in more commercial subjects and genres. Conversely, another set of comments suggested that public funders would only invest in commercial films for the mass audience.

“Films in the UK are easy to make on a low budget as long as they fit within the tight boundary of social realism. There is hostility and lack of understanding of

³² EM Media, Film London, Northern Film and Media, North West Vision and Media, Screen East, Screen South, Screen West Midlands, Screen Yorkshire, South West Screen.

³³ Film Agency for Wales, Northern Ireland Screen, Scottish Screen.

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serious entertainment and genres outside the narrow confines of social drugs, teenage pregnancy and race issues. Thrillers, sci-fi, fairy tales, adventure and horror are all possible on a low budget but require a lot more work to get off the ground...³⁴

“The UK Film Council... seems to be driven solely by that nebulous concept 'profit'”.³⁵

“...thanks to advances in computer technology... the filmmaker can go out and shoot whatever he or she wants without suffering the bland, and ill-informed anti-cinematic, unknown funders, who sit behind their meeting desks awaiting their demise”.³⁶

The supposed tastes of the public film agencies aside many producers felt that there was too little support available and what there was, was too tied up with red tape. There was little sympathy for the careful balancing act which all public agencies must engage in between enabling creativity and entrepreneurship on the one hand, and good custodianship of public funds on the other. For example, several producers were of the opinion that the current preference by public film agencies for making awards on an investment model should be replaced by grants – “grants should be just that, a grant”.

More frequently comments were about the time and complexity of getting support from the UK Film Council or National or Regional Screen Agencies: it appears likely that what officers from those agencies regard as the application of industry good practice is seen by some low and micro-budget producers as needless bureaucracy and delay. There were also comments about the inconsistency of public support across the UK.

Upon examination of the activities of the National and Regional Screen Agencies, it appears that by and large they are aware of the great majority of low and micro-budget producers – and the films they are making – in their nation or region. Working within limited budgets (especially in those regions without access to European Regional Development Funds) agencies seem to be making real efforts to support new and more established filmmakers not only through the schemes and strands outlined above but also with programmes of business support, targeted training and other initiatives.

Skillset acknowledges that it has a clear responsibility for the training needs of the low and micro-budget sector. Skillset has become involved in supporting training programmes for three of the six public investment schemes outlined above (Microwave, Digital Departures and the Slingshot/Screen West Midlands partnership). Certain other Skillset initiatives whilst not explicitly designed to support the low and micro-budget sector have a particular relevance. For example Think Shoot Distribute³⁷, a five-day training event organised with the London Film

³⁴ Extract from a filmmaker's response to the survey

³⁵ Ibid

³⁶ Ibid

³⁷ Skillset and Film London presented Think Shoot Distribute at the London Film Festival in 2007. The five-day programme enabled 25 filmmakers seeking to further develop their careers and provided both creative and business training on various aspects of the filmmaking process, covering key areas that need to be considered prior to production.

Festival and Film London, was especially relevant: case studies generated for Think Shoot Distribute provide a whole range of information on filmmaking including an introduction to the film business (see <http://www.skillset.org/film/business>).

The various guilds and trade associations together with the trade unions (especially Equity and BECTU) also form an important part of the strategic environment. Unsurprisingly the guilds and unions focus upon getting the best possible deal for their members. Few have specific strategies for the low and micro-budget sector although all those interviewed acknowledge the growing presence and potential of the sector. Guilds in particular expressed some ambivalence as to whether low and micro-budget films currently presented real opportunities for their members to progress within the industry. For example the Production Guild suggested that many low and micro-budget films do not have a genuine line producer/production accountancy role and/or conflate different roles (in the view of David Martin, Guild CEO, to the detriment of the production). The Guild suggests that there is some evidence that this way of working makes it harder for individuals to secure employment at the senior production management levels on higher budgeted, more conventional features.

Pact, the UK trade association that represents and promotes the commercial interests of independent feature film, television, animation and interactive media companies, has about 180 members active in film or film and television. Of these about 25% are established and mainstream, at least in the context of the UK industry. Tim Willis, Head of Film for Pact, is aware of a small number of companies making low and micro-budget films that fit into that category, such as Slingshot and Warp X. Pact also has a number of affiliate members many of whom he believes are making films on low budgets and have taken affiliate membership in order to get access to Pact services. This number and identity of this group varies with films in production/pre-production.

Tim Willis states that Pact's main focus is on producers making films with a clear business plan and model (usually at a higher budget), not the producers of one-off, 'guerilla' titles.

"Pact's priority is to develop conditions which enable film businesses to be viable and prosper. Within that it has no separate strategy for low or micro-budget films".

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CASE STUDY: A BREAK-THROUGH FEATURE

Film:	London to Brighton
Production companies:	Wellington Films and Steel Mill Pictures
Producers:	Alastair Clark, Rachel Robey, Ken Marshall and Paul Andrew Williams
Director:	Paul Andrew Williams
Writer:	Paul Andrew Williams

London to Brighton was the first feature film from Paul Andrew Williams. It had its international premiere at the Toronto International Film Festival and won the Hitchcock D'Or at Dinard and Best UK Feature at Raindance. Having received 5-star reviews, the film was released by Vertigo Films theatrically in the UK in December 2006 and on DVD by Momentum Pictures in April 2007.

The producers raised the £80,000 production budget from high net worth individuals through personal contacts. They decided to approach private finance instead of public funds both in order to get into production quickly and to retain creative control over the project.

After editing a rough cut, the producers went to the UK Film Council and received an additional £184,500 of finance, which was spent on completing the post-production, legal expenses, music clearances, E&O insurance and the deliverables.

Principal photography lasted for 19 days over three weeks, and an additional five days were spent on pickups. The editing process took three months of evening and weekend work from the editor, who was working around full-time jobs. Throughout the production, the ethos was to ensure that all the money went directly to the screen; it was a priority to make the film look as if it wasn't made for a micro-budget. For example, the film was shot on Super16mm and then blown up to super widescreen, to give it a cinematic look.

According to producer Alastair Clark, the key to successful low and micro-budget filmmaking is in a good script – and writing to scale. Clark emphasises, that he and his producing partner Rachel Robey could not repeat what they did on *London to Brighton*, because they have used up all their stock of favours within the industry. For this reason he does not believe micro-budget is a business model for film production. Instead, he feels that its value is that it affords emerging talent the first step on the feature filmmaking ladder. In the increasingly competitive marketplace, financiers are unwilling to take risk on untested talent, and it just isn't good enough to have made a short film any more – micro-budget, feature length films are filling this gap.

The success of *London to Brighton* made it easier and quicker for Alastair Clark and Rachel Robey to finance their second feature film, *Better Things*, and for Ken Marshall to finance *The Cottage*. *London to Brighton* has certainly helped Paul Andrew Williams' career as a director and he has since written and directed his second feature film *The Cottage* and is writing or in development on other projects.

“A lot more truly awful films will be made, but there will be some great films.”

12 Prospects

There are few voices that are of the opinion that low and micro-budget filmmaking is set to decline over the next five years. Beyond that, there is little consensus. One view from industry sources is that low and micro-budget films will continue to grow a market niche alongside mainstream UK and international film, at the expense of middle budget work – but by no means all interviewees thought this inevitable or even likely.

The balance between low and micro-budget films extending opportunities to individuals on all grades to gain experience, and a supposed tendency of some producers to exploit younger and inexperienced people was a common topic of reflection. This is far from being a clear-cut situation. A wide range of cases can be envisaged:

- An experienced department head working for a minimal fee on a first feature in order to support a favoured project, give backing to new talent or ‘put something back into the industry’.
- A group of friends joining together to make a film for the experience and out of mutual enthusiasm and therefore taking (and expecting) little or no payment during production.
- An individual artist or group of artists working on a long-form piece of work intended for single screen exhibition over a very long period of time entirely outside standard film industry practices.
- A young person trying to break into the industry working as a runner for no pay and being offered little or no training in return.
- Projects which pay below industry norms and do not offer the entire cast and crew a clear and early avenue to share in any revenues.
- A producer encouraging cast and crew to work largely or entirely on deferrals on a project which has not attracted sufficient third party investment.

Some of these examples could be argued to be exploitative. Others appear to be, at the very least, unobjectionable. The public sector will need to develop a strategic response of some sophistication if it is to discourage exploitation without making it harder for entrepreneurship, philanthropy and individual enthusiasm to flourish.

Another frequently expressed view was that low and micro-budget features were an essential step in the ladder of progression for new talent – and in particular an important stepping-stone in delivering diversity and access.

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Several people with experience of working with the National and Regional Screen Agencies felt that this level of feature filmmaking filled an otherwise hard-to-bridge gap between shorts and higher budget features. It is widely believed that some filmmakers regularly make the jump from micro-budget films to more mainstream success, and this confirms the value of the sector in that regard. The outcome of the current set of public sector low and micro-budget film schemes in terms of the careers of all participants should provide useful evidence of the extent to which this theory applies in practice and in particular how it applies to filmmakers supported by those schemes.

Finally, it is hard to avoid mention of video streaming and social networking sites on the web in any discussion of low and micro-budget filmmaking. Whilst, as mentioned above, the research found no significant evidence of widespread use of the web to distribute and exhibit feature length film, many interviewees drew analogies with the paradigm of music making, where bands and artists are self-promoting and distributing through social networking and downloading sites. More than one industry interviewee imagined a situation where back bedroom filmmaking might be almost as common as back bedroom rock bands – and offer similar chances for building cult followings and, ultimately, breaking through into mainstream success, although the traditional view of what constitutes a film may be tested in the process. In the words of one interviewee:

“As digital cameras and editing equipment get cheaper and better more people will give filmmaking a go. There may be as many young people picking up a camera as picking up a guitar, and sharing the results on the web, testing their films and themselves. A lot more truly awful films will be made, but there will be some great films made and talented filmmakers emerge”.

Appendix 1 - Acknowledgements:

Northern Alliance wishes to thank all those who were of assistance in researching this project.

It is impossible to adequately represent the diversity of experience of those who contributed to the survey of films in a small number of case studies. However the short case studies in this report will hopefully provide insight into low and micro-budget film production from the perspective of some of those who make the films.

We would like to take the opportunity to thank them, the individuals listed here and all the contributors to the production and sales surveys for giving their time and their advice and for sharing their experience.

We would especially like to thank Milo Connolly and his colleagues at Qualasys for their assistance in conducting the survey of producers of low and micro budget films. Qualasys (www.qualasys.com) provides research and data analysis services to both not-for-profit and corporate clients.

Name	Company	Position
Mark Batey	Film Distributors' Association	CEO
Julian Belfrage	Julian Belfrage Associates	
Clare Binns	City Screen	Director
Charlie Bloye	Film Export UK	Chair
Pete Buckingham	UK Film Council	Head of Distribution and Exhibition
Peter Carlton	Film4	Senior Commissioning Executive
Jenne Cassarotto	Casarotto Ramsay Ltd	Director / Literary Agent
Alfred Chubb	Vizumi.com	Acquisitions Manager
Alastair Clark	Wellington Films	Producer
Caroline Cooper Charles	Warp X	Head of Creative Development
Lenny Crooks	UK Film Council (New Cinema Fund)	Head of New Cinema Fund
Arvind David	Slingshot	Managing Director
Catherine Des Forges	Independent Cinema Office	CEO
Suzan Dormer	Directors' Performing Rights Society	CEO
Graham Easton	Film Finances	UK Managing Director
Maggie Ellis	Film London	Head of Production
Sara Frain	Metrodome	General Manager, Theatrical and Broadcast
Marc Francis	Speak-It Films	Filmmaker
Tim Gale	Equity	Film Organiser
Anna Godas	DogWoof Pictures	Head of Sales and Acquisitions
Laurence Gornall	The Works	Director of Marketing
Anne Hogben	Writers' Guild	Deputy General Secretary

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Ralph Kamp	Film Export UK	CEO
Jane Giles	Tartan Films	Head of Acquisitions
Miles Ketley	Wiggin LLP	Partner
Richard Mansell	Hanway Films	Business and Legal Affairs
Janine Marmot	Skillset	Director of Film
David Martin	Production Guild	CEO
Chris Moll	North West Vision and Media	Head of Production
Danny Perkins	Optimum	Managing Director / COO
Sue Pettican	Barclays Bank	Relationship Manager
David Pope	New Producers' Alliance	CEO
Liz Rosenthal	Power to the Pixel	
Barry Ryan	Warp X	Head of Production
Carole Sheridan	Scottish Screen	Head of Talent and Creativity
Carol Sillar	Tartan Films	Head of Strategy
Martin Spence	BECTU	Assistant General Secretary
Helen Stearman	Northern Film and Media	Production & Development Manager
David Steele	UK Film Council	Head of Research & Statistics Unit
Lee Thomas	Screen West Midlands	Head of Production
Adrian Wenger	Carnaby International	Sales and Marketing Coordinator
Tim Willis	Pact	Head of Film
Adrian Wootton	Film London	Chief Executive
Jane Wright	BBC Films	Head of Rights and Commercial Affairs

Appendix 2 - Films surveyed

2002

16 Years of Alcohol	Among Friends	Animals
Bittersweet	Black Coffee	Bloody Nora
Butterfly Man	Capital Punishment	Club le Monde
County Kilburn	Dead Room	Deadwood
The Devil's Tattoo	The Engagement	Face at the Window
The Fall of the Louse of Usher	Far East	Fatigue
Give and Take and Take	The Honeymooners	Horses 4 Courses
The Last Great Wilderness	The Late Twentieth	Lava
The Line	Little Angels	Little England II
Living in Hope	Maddest Man	Never Play with the Dead
The Odyssey	Offending Angels	The Only Hotel
Paris Skylight	The Party	Restless Sky
Revenger's Tragedy	Rosetta: Prima Donna Assoluta	The Run
Space Invader	Telephone Detectives	This is Not a Love Song
Three Men in a Restaurant	Wanted	Winter Warrior

2003

Advanced Warriors	Alone Together	Banshee
Beg!	Beyond Recognition	The Birthday
The Blind Spot	Body Song	Brannigan's March
The Bum's Rush	Bury It	Cargo
The Club	Day of the Sirens	Devil's Gate
Do I Love You?	Eating Cake	Eroica
Feedback	Flyfishing	Four Eyes
Goldfish Memoirs	Gordon Bennett	Hacked Off
Hellbreeder	Jack of Diamonds	The Jealous God
Kiss Me, Kate	The Lake	The Last Horror Movie
The Leech and the Earthworm	Live Forever	Man Dancin'
Man with an Opera House in His Living Room	Map of the Universe	Meanwhile
Mr In-Between	One for the Road	Parasite
Penetration Angst	The Principles of Lust	The Prodigal
Refuge	Shootout	Sitting Ducks
Solid Air	Standing Room Only	Stella Street - the Movie
Twisted	The Ultimate Truth	Urban Breakdown
The Vendetta		

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2004

Actors	Afterlife	Ambition
Asylum Night	Bad Day	The Barn
Blinded	Blood Relative	Bollywood Queen
The Cancer of Corruption	Charlie White	Clay Girl, The
Coma Girl: The State of Grace	Cultural Menace	Dead Man's Shoes
Don't Look Back	Emr	Experiment
Fish, Blood and Bone	Flamingo Blues	Flip a Coin
The Football Factory	Frankenstein X	Freak Out
Freeze Frame	Frozen	Griffin
Homage to History - George Orwell	In a Man's World	Infestation
Jelly Dolly	Left for Dead	London Voodoo
Lovesick: Sick Love	Lunatic	Me and the Gods
Mothers and Daughters	My Name Is Nobody	Nailing Vienna
New Town Original	Nine Days of Hell	The Notebooks of Cornelius Crow
Number One, Longing. Number Two, Regret	(Past Present Future) Imperfect	Playground Logic
Powerless	Project: Brainstorm	The Purifiers
Shooting Shona	Space Cadets	Strawberry Fields
Swimmer	Top Spot	Trolleywood
The West Wittering Affair	Yes	Zemanovaload

2005

9 Steps to a New Start	33 Times around the Sun	Ahlaam (Dreams)
Alien Rising	Alitalia - Welcome on Board	All in the Mind
American Daylight	An American Nobody In London	Bataville
Big Nose and Twinkle Toes	Caught Up	Cycle
The Dark Hunter	Diary of a Bad Lad	Diameter of the Bomb
Dolphins	Dreaming Lhasa	Dream's Ashes
Encounters	Est	Every Picture
Everything to Dance For	Evil Aliens	Fierce People
Fist of Justice	Framing Frankie	Gamerz
The Gigolos	The Great Ecstasy of Robert Carmichael	Gutted
Gypo	Hello You	I for India
In and Out of Planet Earth	In the Dark	Inheritance
Jack, the Last Victim	Jam	The Jigsaw of Life
Junk Mail	Limescale	Little White Lies
Madness in the First Degree	Madrigal	The Memos: Closer to the Sun
Moussaka and Chips	A Mind of Her Own	Mrs Palmfrey at the Claremont
Myna	Neil's Party	Night People
Parallels	Puritan	Quality Indigo
Rabbit Fever	Retribution	Sam Jackson's Secret Video Diary
Song of Songs	Shooting Magpies	Shopner Desh
Soul Searcher	Stagknight	The STDers
Take Me To Your Leader	Tan Lines	Ten Dead Men
That Deadwood Feeling	Time of Her Life	Touch the Sound
The Toybox	Trash House	The Truth
Twelfth Night	Untitled Composition #1	Usti Opre
Vagabond	Venus Drowning	War Crimes
Web of Deceit	The West End Story	Wicked
Wickham Road	Wild Country	A Woman in Winter
Writing on the Wall	Yam	Y Lleil (The Others)
You're Fired	Yours Emotionally!	

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2006

The All Together	Almost Adult	The Amazing Grace
An Anarchist's Story	Are You Ready For Love?	Barefooting
Barry and Tarquin	The Best Man	Black Gold
The Burial	Burning Light	Cashback
Cold Water	The Commando	Consequences
Cowfusion	Crossing Bridges	Cut Sleeve Boys
Dark Corners	Deadpan Valentine	Destiny
Destricted	Displaced	Donovan Slacks
East Midlands Babylon	Fated	Framed
Glastonbury	Halal Harry	Happy F***** Endings
How Is Your Fish Today?	In the Name Of	Infinite Justice
Intergalactic Combat	Kidulthood	Killer Killer
The Killing of John Lennon	Kyle	Lie Still
The Lives of the Saints	London to Brighton	Lycanthropy
Man in a Hat	The Man Who Would Be Queen	Mind the Gap
The Most Unromantic Man in the World	Mr Right	Night Junkies
Nina's Heavenly Delights	Once there was a Girl	One
The Other Half	The Ouija Board	Outlanders
Penalty King	Peppermint	The Pied Piper of Hutzovina
The Plague	The Planet	The Plans of Man
Popcorn	Rag Tag	Rare Books and Manuscripts
Really	Retribution	Sea of Madness
See You at the Altar	Scenes of a Sexual Nature	Shaking Dreamland
Small Town Folk	A Snake's Tail	Someone Else
Soundproof	Speed of Light	Stranger Than Kindness
Sub Zero	Telesma (Another World)	This Is What It Is
Those without Shadows	The Three Musketeers	Tick Tock Lullaby
Tomorrow	Too Much Too Young	Under The Mud
Vampire Diary	Vivid	The Wake
We've Got the Toaster	The Witches Hammer	

2007

3000 Miles	Alive Day	All Bar Love
Ana Begins	At King's Cross	Better Things
Bhavishya: The Future	Bigga than Ben	The Boat People
Captain Eager and the Mark of Voth	Cold Earth	Crack Willow
Credo	Daddy's Girl	Dark Night
Dark Side of Heaven	Daylight Robbery	Deadmeat
Dhara	The Diary of Adam's Father	Dreamscape
Dreamscape (#2)	Dressing Granite	A Dying Breed
The Englishman	Exhibit A	Expiry Date
Extraordinary Rendition	The Feral Generation	Finding Bob Mcarthur
French Film	Friends and Enemies aka Love Me Still	The Full Monteverdi
A Goat's Tail	Hamlet	Hellbride
High Stakes	How to Be	Humrahi
Hush Your Mouth	Ilzaam	Incapacity
The Inheritance	Inside Out	In Your Dreams
Jetsam	Kill Kill Faster Faster	The Lost
Lost Weekend	Lottery	Low Tide
The Man Who Sold the World	Measure for Measure	Messages
The Midnight Drives	Mr Hot Mr Kool	Mum and Dad
My Life as a Bus Stop	No Place	Ochberg's Orphans
One Minutes	The Other Possibility	Peacefire
Red Means Go	The Refuge	The Room Of Silence
The Rise of the Footsoldier	Roanoake: the Lost Colony	Sacrificed
Saxon	Seachd (The Inaccessible Pinnacle)	Senseless
The Silencer	South Coast	Special People
Splinter	Summer Scars	Sugarhouse
Sunstroke	Surveillance	Tales of the Fourth Dimension
Three Minute Moments	Tolerance	To Reach the Clouds
Tovarisch, I Am Not Dead	Trace	Ulysses Road
Underground	Unrelated	The Vampires of Bloody Island
Veiled Existence	The Waiting Room	White Lightnin'
Wishbaby	The Zombie Diaries	

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Appendix 3

About Northern Alliance

Northern Alliance is a Chartered Accountancy firm that provides accounting, tax, financial, management and business consulting services to private and public sector organisations and individuals, especially to those operating in the media, entertainment and creative industries.

The Northern Alliance Team that undertook the review of Micro and Low-Budget Film Production in the UK comprised Sarah Beinart, Chris Chandler, Laura Hypponen, Mike Kelly, and Catherine O'Shea.

For further information regarding Northern Alliance, please see:

www.northern-alliance.co.uk

We want to ensure there are no barriers to accessing our printed materials. If you, or someone you know, would like a large print, Braille, disc or audiotape version of this report, please contact our Communications Department at the following address:

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