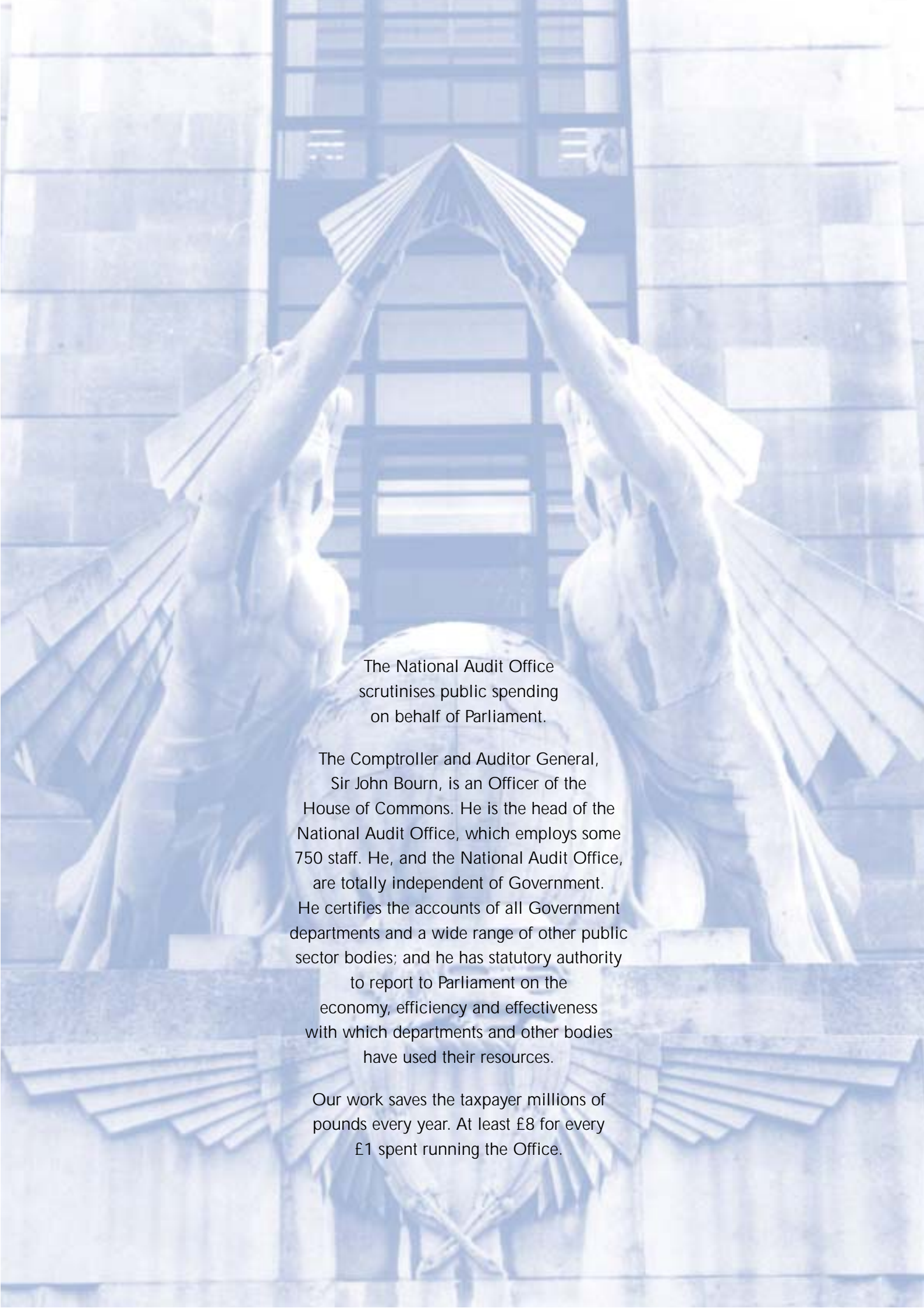


Film Council  
Improving access to, and education about,  
the moving image through the British Film Institute

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL  
HC 593 Session 2002-2003: 11 April 2003





The National Audit Office  
scrutinises public spending  
on behalf of Parliament.

The Comptroller and Auditor General,  
Sir John Bourn, is an Officer of the  
House of Commons. He is the head of the  
National Audit Office, which employs some  
750 staff. He, and the National Audit Office,  
are totally independent of Government.  
He certifies the accounts of all Government  
departments and a wide range of other public  
sector bodies; and he has statutory authority  
to report to Parliament on the  
economy, efficiency and effectiveness  
with which departments and other bodies  
have used their resources.

Our work saves the taxpayer millions of  
pounds every year. At least £8 for every  
£1 spent running the Office.

Film Council  
Improving access to, and education about,  
the moving image through the British Film Institute



REPORT BY THE COMPTROLLER AND AUDITOR GENERAL  
HC 593 Session 2002-2003: 11 April 2003



This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act.

*John Bourn*  
Comptroller and Auditor General

National Audit Office  
8 April 2003

The National Audit Office study team consisted of:

Mark Andrews and David Raraty under the direction of Keith Hawkswell

This report can be found on the National Audit Office web site at [www.nao.gov.uk](http://www.nao.gov.uk)

**For further information about the National Audit Office please contact:**

National Audit Office  
Press Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

Tel: 020 7798 7400

Email: [enquiries@nao.gsi.gov.uk](mailto:enquiries@nao.gsi.gov.uk)



# Contents

## Executive summary 1

---

### Part 1: The Film Council's funding and oversight of the *bfi* 11

Most of the Film Council's grant in aid is devoted to access and education, and the majority is used to fund the *bfi* 11

The Film Council is reviewing its funding and oversight arrangements 12

---

### Part 2: Take up of access and education opportunities 13

The Film Council and *bfi* aim to increase take up of access and education opportunities 13

Provision and take up of opportunities to see films has increased 13

There are now more limited opportunities for the public to see exhibitions about the moving image 16

Use of library facilities has fallen, but on-line access has increased dramatically 16

Development of film culture continues to be underpinned by specific educational products 17

Different access opportunities are given widely varying net subsidies 19

---

### Part 3: Attracting new customers 21

The *bfi* wants more people to use its services 21

But the *bfi* needs to know more about its audience 21

The challenge is meeting the needs of existing customers while attracting new customers 22

Cultural diversity 22

Young people 23

The education market 23

Geographical coverage 24

---

### Part 4: The National Film and Television Archive 27

Limited use is made of the Archive for cinematic exhibition, but other access opportunities draw on it heavily 27

Some material has not been formally accepted into the collection or catalogued 28

There are unquantified backlogs in preservation work 29

Not all catalogued and preserved material in the Archive can be accessed readily 30

## Appendices

1. The National Audit Office approach 31

2. The objectives of the Department, the Film Council and *bfi* 33

# executive summary

## In this section

The Film Council's funding and oversight of the <i>bfi</i>	3
Take up of access and education opportunities	3
Attracting new customers	5
The National Film and Television Archive	6
Conclusions and recommendations	8

- 1 The Film Council was created by the Department for Culture, Media and Sport (the Department) as the strategic agency responsible for film in the United Kingdom, and took on its full responsibilities in April 2000. The Film Council has two overriding objectives: to develop a sustainable United Kingdom film industry; and to develop film culture by improving access to, and education about, the moving image. In practice the Film Council funds the British Film Institute (*bfi*) to carry out much of the activity in support of the second of these objectives, and this is the focus of our Report.
- 2 In creating the Film Council, the Department sought to achieve a balance between a body which would bring together support for the film industry and the development of film culture, and a body which was small and strategically focused. The Department decided to retain the *bfi* which was established in 1933 but keep it separate from, and subject to oversight by, the Film Council. The Department provides the Film Council with annual grant in aid; £20.9 million in 2001-02. The majority, £14.5 million, was used by the Film Council to provide grant in aid for the *bfi*.
- 3 The *bfi* provides members of the public, researchers, and professional and commercial customers with many opportunities to access, and learn about, moving image culture, drawing on material from its own extensive collections and from other bodies. The *bfi*'s main activities and collections are shown in [Figure 1\(overleaf\)](#).



- 4 This Report focuses on the Film Council's funding and oversight of the *bfi*; the take up of access and education opportunities provided by the *bfi*; the *bfi*'s efforts to broaden access by attracting new customers; and the underpinning management and preservation of materials in the *bfi*'s key collection - the National Film and Television Archive. Our main findings are set out below.

1 An overview of the resources in the *bfi*'s collections and the range of activities it undertakes

resources

**National Film and Television Archive**

The **National Film and Television Archive** is one of the oldest established and largest archives of film and television in the world. Established in 1935, it holds the national collection of British-produced or British-related film and television - some 150,000 films and 250,000 television programmes. There are vast related collections of material related to film and television. To maintain the collection, the *bfi* carries out:

- Formal acquisition and cataloguing work
- Inspection and preservation
- Copying of master material into viewing copies

Further details of the National Film and Television Archive are provided on page 27.

***bfi* National Library**

The *bfi* **National Library** is the world's largest collection of information about film and television:

- 47,000 books, pamphlets, annuals & CD ROMS
- 110,000 periodicals issues, covering almost 6,000 titles
- 2.2 million press cuttings
- Special collections (including 20,000 unpublished scripts, and 25,000 publicity press books)

**Museum collections**

The *bfi* has a substantial collection of artefacts and exhibits (over 12,000 items) charting the history and development of film and television.

activities

**Cinematic exhibition & film releases**

The *bfi* provides directly or indirectly facilitates **cinematic exhibition** of a huge variety of films taken from its own archive, other archives and commercial distributors. It does this at:

- National Film Theatre
- *bfi* London IMAX® cinema
- Film festivals
- Bookings by film societies, regional film theatres and independent and commercial cinemas

The *bfi* also makes film material available through **film releases**:

- DVD/Video sales
- Footage sales

**Access to *bfi* resources for research**

The *bfi* provides opportunities for private and commercial **research about the moving image**:

- Research viewings
- Access to special collections
- Information services
- Reading room
- Online resources and databases

**Educational outputs**

The *bfi* undertakes a diversity of formal and informal **education work**:

- Resources for teachers and study guides for students
- Courses, events and activities
- Research

The *bfi* also **publishes** a monthly journal, *Sight and Sound* and books.

**Museum exhibition**

The *bfi* has exhibited its museum collections at the **Museum of the Moving Image** and **Moving Pictures** (a touring exhibition). Both are now closed.

The *bfi* film archive and related collections are vast. They underpin hugely diverse activity much of which has an educational purpose.



## The Film Council's funding and oversight of the *bfi*

- 5 The *bfi*'s different activities are consistent with the Film Council's overarching objective to develop film access and education in the United Kingdom, and therefore with the Department's objectives. The activities vary in the terms of the learning experience provided, the customers reached and the public cost of provision, and the Film Council is currently reassessing priorities for its next funding agreement with the *bfi*, due to be in place from April 2003.
- 6 Currently there are three factors which together are complicating the Film Council's task in overseeing the *bfi*. There has been insufficient evaluation by the *bfi* of the impact of the *bfi*'s activities, and the Film Council does not have complete information about how the *bfi* spends its grant in aid on individual activities. It is also taking time to simplify and align fully the objectives of the two organisations, following the setting up of the Film Council. The Film Council and the *bfi* are developing new measures to evaluate the impact of the *bfi*'s activities. Most of the measures will be in place for 2003-04, although some of the more complex evaluation will take up to three years.

## Take up of access and education opportunities

- 7 The overall thrust of Film Council and *bfi* objectives is increased take up of access and education opportunities. Numbers have fluctuated year on year, but opportunities for film access and education provided by the *bfi* were taken up on 1.93 million occasions in 2001-02 compared to 1.55 million in 1997-98 (25 per cent higher). In addition, use of the *bfi*'s website, accessed 6.47 million times in 2001-02, has increased dramatically.
- 8 The picture varies for individual activities. For example, the number of library visits has fallen by 22 per cent, and falling attendance at the Museum of the Moving Image led to its closure in 1999. But take up of opportunities to see films increased over the five years to 2001-02, particularly because of increases in audience numbers for *bfi* films screened at other venues such as regional film theatres, and commercial and independent cinemas (up by 59 per cent) and increased video and DVD sales (up by 169 per cent).
- 9 The *bfi*'s two major cinemas both face challenges in maintaining or improving their audience numbers:
  - In 2001, members of the National Film Theatre who no longer attended screenings said this was because of competition from local cinemas, television and radio, as well as conflicting professional and leisure interests. However, whilst over the last five years numbers attending the **National Film Theatre** have varied, in 2001-02 attendances were 13 per cent higher than in 1997-98, the most significant rise following the *bfi*'s 1999 review of the programme of screenings.
  - Although the *bfi* **London IMAX**<sup>®</sup> has contributed to a big increase in the numbers seeing films since it opened in 1999, audiences in 2001-02 were 15 per cent below the *bfi*'s target and were down on the previous year. The *bfi* attributes this in part to the terrorist events of September 11th. The *bfi* also expects that audience numbers will improve as a greater range of IMAX<sup>®</sup> films becomes available.



- 10 All of the opportunities for access that the *bfi* provides (for example, seeing a film at the National Film Theatre, buying a copy of its journal *Sight and Sound*, or visiting the *bfi* National Library) are designed to encourage enjoyment and appreciation of film and stimulate learning. In addition, the *bfi* provides explicitly educational products and events. These include events for school pupils, college students and adult learners (such as introduced screenings, study days, short courses and presentations by actors) and accompanying materials for teachers. Such materials and events tie in with programmes at the National Film Theatre and screenings at film festivals. Attendance at educational events has fluctuated over the last five years but in 2001-02 there were 19,000 places taken up, and to encourage greater interest the *bfi* has almost tripled the volume of publicity mailings to schools and colleges.
- 11 The cost to public funds of providing access and education opportunities also varies. The *bfi* expects to subsidise the majority of its activities using grant in aid funding from the Film Council: in 2001-02, the net cost for each access opportunity taken up ranged from £0.01 to use the *bfi*'s website to £123.78 per person for viewings of films for research purposes in the *bfi*'s individual viewing cubicles and viewing theatres (the net subsidies for *bfi* activities are set out in [Figure 5](#) on page 18). The *bfi* expects that DVD and video sales, and commercial sales of rights to show films (or clips) on television, will generate net income, and ticket sales for the *bfi* London IMAX<sup>®</sup> to achieve break even, but in 2001-02 the *bfi* London IMAX<sup>®</sup> failed to meet its audience targets and required net subsidy. At present, £7.4 million (51 per cent) of the grant in aid is attributed by the *bfi* to access and education opportunities, but this does not take into account the costs involved in maintaining the National Film and Television Archive (£3.5 million) or central management overheads (£1.7 million).
- 12 The *bfi* aims to achieve a balance between the cost of provision, cultural and educational impact, and the need to serve diverse users and appeal to new customers. But the Film Council recognises that it needs to seek from the *bfi* a better analysis of where there is greatest scope to leverage further benefit from the public subsidy. This might mean increasing charges to customers, but could also mean reducing charges that could be a barrier to increased take up where there is scope to use spare capacity. There is insufficient information at the moment to make this judgement across the *bfi*'s different activities. Customer surveys undertaken by the *bfi* for some of its activities have found that existing users of *bfi* services see the prices charged as representing good value. However, the *bfi* has little information by which to judge whether other potential users are discouraged by the fees charged.

## Recent screenings at the National Film Theatre

**The Seventh Seal (1957).** Shown as part of the season of films by the important Swedish filmmaker Ingmar Bergman, this film stars Max von Sydow and Bibi Andersson in their first leading roles, with cinematography by Gunnar Fischer.

## Attracting new customers

- 13 The *bfi* is aiming to extend access beyond specialist, traditionally metropolitan, cinephile audiences. The information available from the *bfi*'s customer surveys suggests that its audiences tend to live in London and the South East: both the *bfi*'s major cinemas are situated in London, with 69 per cent of visitors to the *bfi* London IMAX® from the South East. The *bfi* appears to be reaching diverse audiences in terms, for example, of ethnicity or sexual orientation, but customers tend to have above average incomes. And, while many screenings at the National Film Theatre are open to those under the age of 16, very few young people attend them.
- 14 The *bfi* is attempting to broaden its appeal whilst maintaining the quality, breadth and cultural value of its activities. It is implementing a three year cultural diversity strategy and is aiming a number of activities - such as workshops and other events at the National Film Theatre - specifically at young people. The *bfi* is also looking to widen the audience for its formal education products such as courses and teaching materials through: mapping the extent of media literary provision in schools; commissioning research on what teachers are prepared to pay for educational events; and supporting local initiatives by schools and cinemas. However the *bfi* recognises that there needs to be greater clarity about the nature and purpose of the educational work it undertakes and has appointed consultants to carry out a wide-ranging review.
- 15 There is a particular push though to reach a wider regional audience: films from the *bfi*'s collections play in up to 340 venues (across England and at major cities in Scotland, Wales and Northern Ireland); the *bfi*'s celebration of South Asian film, *ImagineAsia*, involved partners from across England and from Scotland, Wales and Northern Ireland; and the *bfi* has promoted other touring film festivals.
- 16 To underpin its efforts to reach new audiences, the *bfi* is strengthening its marketing and market research. It has established a specific marketing team and put it in the direct control of one of its senior executives, a step intended to ensure that marketing activity for its full range of activities is better co-ordinated. The next step is to strengthen information on the markets the *bfi* is serving and potential markets. The *bfi* had carried out surveys of its existing users, but much of the information obtained had been about customer care and information on the characteristics of customers (such as details of age group or annual income) is patchy. And it needs to know more about what would encourage potential customers to take up access opportunities.



Shown as part of the *History of Colour* season at the National Film Theatre, William Friese-Greene's two colour system was used by his son Claude for **The Open Road** (1925-26), a travelogue series on the British Isles, but the problem of colour fringing produced by this process was not resolved. **Wings of the Morning** (1935), illustrated above, was Britain's first three-strip Technicolor feature film.

A special season of films on the classical ballet dancer Rudolf Nureyev, tracking the development of his career as dancer, choreographer and producer. Recorded performances include *Swan Lake*, *The Nutcracker* and *Don Quixote*.

## The National Film and Television Archive

- 17 The National Film and Television Archive, which costs £3.5 million a year in public subsidy to run, is one of the oldest established and largest in the world, holds the national collection of British-produced or British-related film and television and includes about 150,000 films and 250,000 television programmes. There is no direct public access at the sites where film and television material is stored. The Archive is used to provide film materials for other *bfi* activities, including cinematic exhibition at the National Film Theatre and at venues around the United Kingdom, video and DVD publishing and research viewings.
- 18 The films and other moving image material that the *bfi* makes available for the public to experience are drawn from its collections and other film archives such as overseas and commercial sources. For example, in 2001 20 per cent of screenings at the National Film Theatre used material from the National Film and Television Archive.
- 19 A substantial part of the Archive is not readily accessible. Some material has not been formally accepted into the collection, nor catalogued, and the backlog is growing with over 3,500 films being received annually. There is also a backlog of preservation work, with items at risk of being lost as a result. There are copyright or donor restrictions on how material can be used. The fragmented nature of the *bfi*'s records also constrains its ability to provide access to the Archive. The *bfi* received a £9.1 million award from the Heritage Lottery Fund in 1998 to examine, identify and catalogue one specific part of its collection, and this work is continuing. Of the catalogued film material, the *bfi* estimates that 46 per cent is currently in a readily viewable condition.

### The *bfi*'s preservation work

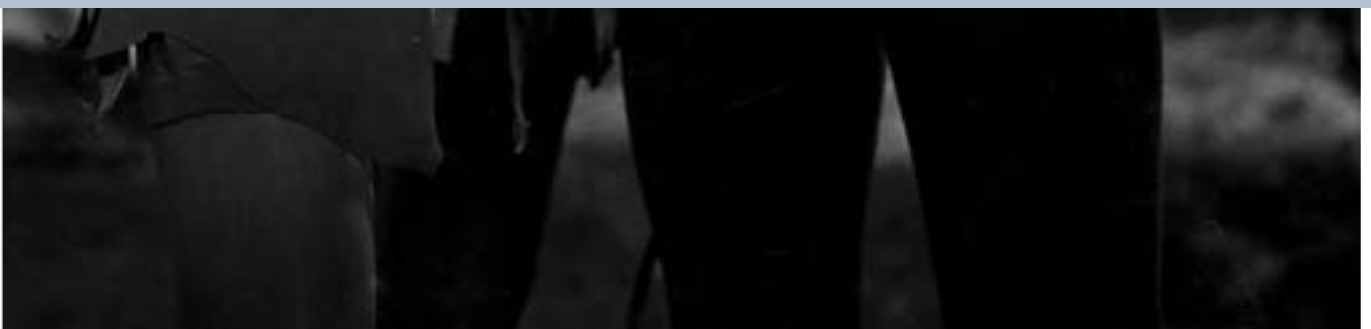
The *bfi* has not fully quantified the preservation backlog or the amount of material at risk, but this includes at least 848 master copies of films on safety film that is known to be degrading and approximately 110 million feet of flammable and unstable nitrate film that has not been duplicated.

Recent preservation work undertaken by the *bfi* includes **South** (1919), the film record of Sir Ernest Shackleton's heroic but ill-fated attempt to cross Antarctica in 1914-1916. In restoring this film, the *bfi* drew on a wide range of materials, including different prints and negatives, and a set of glass slides that originally accompanied the film and lecture. *South* was photographed by Frank Hurley.





**As You Like It** (1937). The *bfi*, using funding from the Heritage Lottery Fund, restored this black and white film adaptation of Shakespeare's romance which had not been available in Britain for many years. The cast included Laurence Olivier and Elizabeth Bergner. The director was Paul Czinner and cinematography was by Jack Cardiff and Harold Rosson.



# Conclusions &

20 In reviewing its funding and oversight of the *bfi* we recommend that the Film Council, working with the *bfi*, should focus on the following areas:

AREA FOR ATTENTION	RECOMMENDATIONS
<p><b>Priorities for developing film culture</b></p> <p>The sheer diversity of the <i>bfi</i>'s activities funded by grant in aid from the Film Council underlines the importance of the work the Film Council is doing to review priorities and objectives. Deciding priorities should become easier as the <i>bfi</i> generates more information about the learning and educational impact of its activities, but this will take time. Meanwhile, we recommend that:</p>	<p><b>Recommendation (i).</b> The Film Council should work with the <i>bfi</i> to ensure that the <i>bfi</i>'s objectives are fully aligned with those of the Film Council, and set out clearly in future funding agreements. This would strengthen the Film Council's ability to assess the extent to which the <i>bfi</i>'s use of the grant in aid is contributing to the achievement of the Film Council's objectives.</p> <p><b>Recommendation (ii).</b> The Film Council should ensure that, in reviewing priorities and assessing the <i>bfi</i>'s performance, it obtains from the <i>bfi</i> information about the grant in aid subsidy for each of the access opportunities that are taken up.</p>
<p><b>Knowledge about customers and markets</b></p> <p>To be in a position to improve individual activities and to ensure that the key aims of increasing and broadening access are met, good information is needed on customers and potential customers. It may be that, in practice, the <i>bfi</i> is best placed to collect this information. However, it is important that the Film Council ensures this is done because the analysis will help the Film Council and the <i>bfi</i> to prioritise different activities in light of the subsidies applied to them. We recommend that:</p>	<p><b>Recommendation (iii).</b> The <i>bfi</i>'s data on current customers be enhanced by ensuring that customer surveys collect comparable and comprehensive information for all activities. The <i>bfi</i>'s new marketing function should help this recommendation to be taken forward, and ensure that this work is co-ordinated and comprehensive across the <i>bfi</i>'s activities.</p> <p><b>Recommendation (iv).</b> Market research is conducted among the <i>bfi</i>'s potential customers, especially groups which are under-represented in the take up of certain access opportunities, for example young people. The aim of this research is to build a better picture of what people want, why people have not used current services and what new services they would be interested in.</p> <p><b>Recommendation (v).</b> This market research should not only establish the views of customers and potential customers on the value for money of the services provided, but assess their willingness (and ability) to pay increased charges for activities.</p>
<p><b>The National Film and Television Archive</b></p> <p>Running and maintaining the National Film and Television Archive accounts for a substantial part (24 per cent) of the Film Council's grant to the <i>bfi</i>. The objective to preserve the nation's moving image heritage has led the <i>bfi</i> into accepting more material (otherwise at risk of being lost) than it has the resources to be able to inspect, catalogue and preserve in a timely way. As a result, there has been limited success in making the Archive accessible to the public. We recommend that:</p>	<p><b>Recommendation (vi).</b> The Film Council should oversee a fundamental review of the purpose of the Archive, working in partnership with the Department and the <i>bfi</i> to consider the scale of the current collections and likely future acquisitions against the <i>bfi</i>'s ability to manage, preserve and make accessible the material in them.</p> <p><b>Recommendation (vii).</b> The Film Council should ensure that the <i>bfi</i> has a firm costed strategy in place for dealing with those parts of the collection that are not eligible for attention under the current project funded by the Heritage Lottery Fund, which should include targets for reducing the backlogs (in inspection, cataloguing and preservation).</p>

# recommendations

## COMMENT ON THE COST OF RECOMMENDATION

As the Film Council and the *bfi* are already working together to improve the arrangements for setting priorities and managing performance there should be minimal cost involved in implementing these recommendations.

There would be costs involved, especially in commissioning specialists to conduct market surveys. We suggest therefore that the Film Council and the *bfi* prioritise the market research, perhaps by considering first those activities where take up of opportunities is declining, or the relative public cost of providing the activity is high.

The Film Council estimates that carrying out a review of the Archive would cost some £200,000. There could also be extensive costs in addressing backlogs of work in the Archive, and the Film Council, the *bfi* and the Department may therefore have to make tough decisions about priorities. However this action will help to manage the risk of misdirecting resources or allowing valuable film material to degenerate before the public have the opportunity to see it.



IMPROVING ACCESS TO, AND EDUCATION ABOUT,  
THE MOVING IMAGE THROUGH THE BRITISH FILM INSTITUTE

# PICTURE START

# Part 1

## The Film Council's funding and oversight of the *bfi*

1.1 The Film Council<sup>1</sup> was created by the Department for Culture, Media and Sport to provide strategic leadership for the film sector, and took on its full responsibilities in April 2000. The Film Council has two overriding policy objectives:

- to develop a sustainable United Kingdom film industry; and
- to develop film culture in the United Kingdom by improving access to, and education about, the moving image.

The Film Council funds the British Film Institute (*bfi*) to carry out much of the activity in support of the second of these objectives, and this is the focus of our Report. Our approach is set out in Appendix 1.

### Most of the Film Council's grant in aid is devoted to access and education, and the majority is used to fund the *bfi*

1.2 The Film Council's activities in respect of developing film culture are funded through annual grant in aid from the Department under a three year funding agreement. Before the Film Council was established, the *bfi* had lead responsibility for film culture, and was directly funded by the Department.

1.3 The *bfi* itself was established in 1933<sup>2</sup>, and many of its core activities are well established. It has extensive resources in terms of its National Film and Television Archive, related collections, exhibition venues and its expertise about film. It provides a wide range of public and specialised access to its own collections and facilitates access to a wider range of moving image material from commercial distributors and other archive collections. And it aims to combine all

access with learning opportunities, as well as providing services and products for the formal education sectors. The *bfi*'s collections and activities are described in Figure 1 (on page 2).

1.4 In establishing the Film Council the Department sought to create a strategic leader for the film sector, bringing together the work of a number of government agencies and drawing in key players in the industry. The Department regards ongoing work to develop film culture as contributing to a sustainable film industry, and charged the Film Council with bringing together both objectives. The Department believed that the Film Council could best achieve this as a small strategic organisation, so the *bfi* remained separate from the Film Council. In April 2000, the Film Council assumed the Department's funding and oversight responsibilities for the *bfi*.

1.5 In 2001-02, the Film Council's total grant in aid from the Department was £20.9 million, of which the majority - £14.5 million (69 per cent) - was used by the Film Council to fund the *bfi*, and is the focus of this report. In addition, £3.15 million (15.1 per cent) was used to fund the work of the new Regional Screen Agencies which the Film Council has been setting up during 2001 and 2002.<sup>3</sup> The Regional Screen Agencies' work includes sponsorship of film production, training, film locations and inward investment as well as archives, education and exhibition. The remainder of the grant in aid contributed to the Film Council's activities in support of the film industry, although the largest element of support - the sponsorship of film production - is provided from National Lottery proceeds.

1.6 In addition to grant in aid from the Film Council the *bfi* receives National Lottery funding for specific projects and raises its own funds in the form of grants from charitable foundations, investment income from donations and sponsorship. The *bfi* also charges fees for many of the opportunities for film access and education it offers.

<sup>1</sup> The Film Council is a publicly-funded Non-Departmental Public Body set up as a company limited by guarantee. The Department intends to place it on a statutory basis as soon as Parliamentary time will allow.

<sup>2</sup> The *bfi* is a registered charity, and in addition to its funding agreement with the Film Council is governed by Royal Charter.

<sup>3</sup> Over the period October 2001 to January 2003, Chairs were appointed to the nine Regional Screen Agencies. The grant in aid allocated to the Regional Screen Agencies was supplemented by £2.9 million in National Lottery resources.

1.7 In 2001-02, the *bfi*'s overall income was £29.2 million, 48 per cent of which was funding from the Film Council. **Figure 2** shows that the *bfi*'s grant in aid decreased from 2000-01 to 2001-02 - this was due to the transfer of responsibility for regional funding and film production funding from the *bfi* to the Film Council. The remainder of the decrease in *bfi*'s total income since 1998 is the result of a return to 'normal' levels of income following an injection of National Lottery funding (from the Arts Council of England) to assist the *bfi* in building the *bfi* London IMAX®.

1.9 Currently there are three factors which together are complicating the Film Council's task in overseeing the *bfi*:

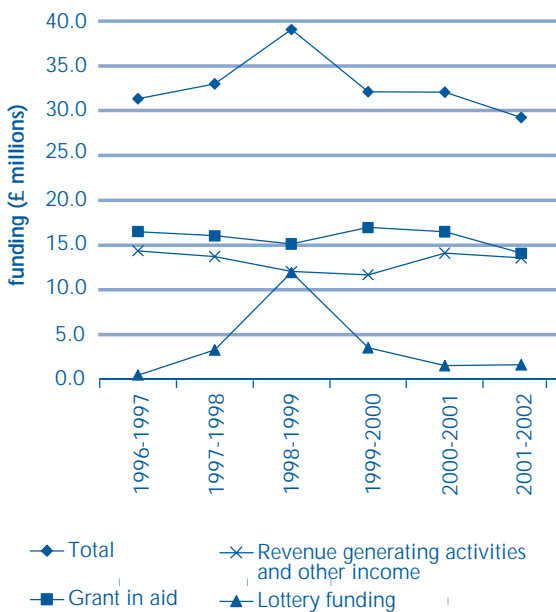
- i **There has been insufficient evaluation by the *bfi* of the impact of its activities.** The *bfi*'s existing performance indicators tend to measure organisational process and activities rather than the impact of the activity on users, and the *bfi* has carried out very little formal evaluation of the outcome of its activities. The Film Council and the *bfi* have therefore been working together to develop a new performance measurement framework. Most of the measures will be in place by 2003-04, while some of the more complex evaluation will take up to three years.
- ii **The Film Council does not have complete information about how the *bfi* spends its grant in aid on individual activities.** The *bfi* has been working to identify exactly what grant in aid subsidy is applied to each of the key access and education opportunities it provides (rather than the total subsidies provided to each of its operational departments or 'cost centres'). However the *bfi*'s breakdown of subsidy by activity does not capture all of the costs incurred (paragraph 2.17) and the *bfi* does not routinely report information disaggregated in this way to the Film Council.
- iii **It is taking time to align fully the Film Council's and *bfi*'s objectives.** Appendix 2 shows that there is an overall sense of consistency between the aims, objectives and goals of the Film Council and the *bfi*. However, the relationship between the different statements of Film Council and *bfi* goals and objectives has not been clearly articulated in the Funding Agreement between the two organisations. The Film Council and the *bfi* are working together to align fully the objectives of the two organisations, and intend to complete this in time for the results to be incorporated in the 2003-04 Funding Agreement.

## The Film Council is reviewing its funding and oversight arrangements

1.8 All of the *bfi*'s activities are consistent with the Film Council's overarching objective to develop film culture in the United Kingdom, and therefore also consistent with the Department's objectives. The activities vary widely in the depth of learning experience they offer, the users they reach, and the public cost of providing them and the Film Council is now working with the *bfi* to reassess priorities.

### 2 *bfi* income over the period 1996-97 to 2001-02

The *bfi*'s total income has been declining in real terms since 1998.



#### NOTE

Grant in aid in 2001-02 (£14.05 million) reflects anticipation by the *bfi* of £0.45 million paid in 2000-01 from its 2001-02 allocation.

Source: National Audit Office analysis of *bfi* financial statements (2001-02 draft figures)

1.10 The Film Council intends that its review of priorities for film access and education will underpin the development of its next funding agreement with the *bfi*, which is to be in place from April 2003.<sup>4</sup> In the remainder of the report we examine in more detail:

- How successful the *bfi* has been in encouraging the take up of opportunities for access and education about the moving image (Part 2);
- What the *bfi* knows about its customers and how it is attempting to broaden access (Part 3); and
- What the *bfi* is doing to conserve, and make available for viewing, the collections in the National Film and Television Archive (Part 4).

This should help to inform the Film Council's review.

<sup>4</sup> After a one year funding agreement in 2003-04 the Film Council intends to adopt first a two year agreement and then, starting in 2006-07, a three year funding agreement with the *bfi* which would be consistent with its own three year funding cycle with the Department.



# Part 2

## Take up of access and education opportunities

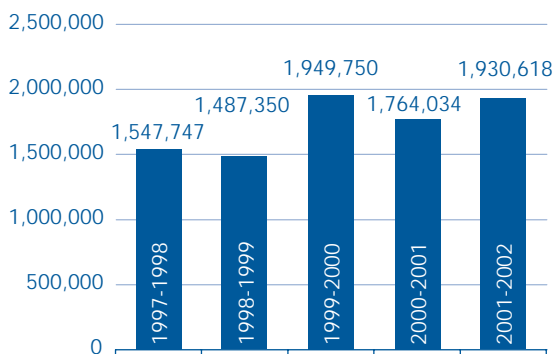
2.1 The *bfi* provides a wide range of opportunities for customers to gain access to and learn about the moving image: for example, seeing a film; visiting the *bfi* library; and buying a copy of *bfi*'s monthly journal *Sight and Sound*. This Part of the Report looks at the extent to which the opportunities provided by the *bfi* are used and the cost to public funds.

### The Film Council and *bfi* aim to increase take up of access and education opportunities

2.2 The overall thrust of Film Council and *bfi* objectives is increased take up of access and education opportunities. Numbers have fluctuated year on year, but opportunities for film access and education provided by the *bfi* were taken up on 1.93 million occasions in 2001-02, 25 per cent more than in 1997-98 (Figure 3). In addition, use of the *bfi*'s website, accessed 6.47 million times in 2001-02, has increased dramatically.

#### 3 Take up of access and education opportunities, excluding on-line access

*Take up of access and education opportunities has increased between 1997-98 and 2001-02.*



Source: National Audit Office analysis of *bfi* data

2.3 Some activities the *bfi* provides, such as screenings at the National Film Theatre, attended by over 220,000 people a year, and the *bfi* London IMAX® cinema, attended by some 350,000 people a year, are inherently large scale compared to others, such as the provision of viewing cubicles for private research which are used one or two thousand times each year. The activities provide widely differing cultural and educational benefits so the take up rates say little about their relative contributions to Film Council and *bfi* objectives. Further, take up of one activity can reduce demand for another, and the public subsidy they require varies greatly. The *bfi* has set itself internal targets for the take up of the individual opportunities it provides.

### Provision and take up of opportunities to see films has increased

2.4 The *bfi* provides a variety of opportunities to see films on the big screen or as video and DVD releases.

2.5 Figure 4 shows how the combined take up of opportunities to see films has increased over the last five years, from fewer than 800,000 to more than 1,400,000 a year. The biggest growth has been in film bookings at independent venues, audiences at the *bfi* London IMAX®, and video and DVD sales, with smaller rises in festival attendances and National Film Theatre audiences.

2.6 The *bfi* makes films available for screening by **independent film theatres**, film societies and other venues across the United Kingdom. There were 633,000 attendances at such screenings in 2001-02 which, at 43 per cent of total take-up, made this the largest single group. Numbers have fluctuated over the last five years and in 2001-02 fell short of the *bfi*'s target of 667,000, but were nonetheless 59 per cent higher than in 1997-98. The *bfi* supports marketing undertaken by the local venue by supplying promotional material and, for some events, taking out regional advertising.

### National Film Theatre

The *bfi* screens films from around the world, covering the whole of film history and representing the diversity of cinema. It screens seasons of films from its own Archive, other collections, commercial film releases and television work at the National Film Theatre (NFT). The NFT mounts on-stage interviews with figures in film and television and a variety of workshops and educational events. The *bfi* also mounts small scale exhibitions at the NFT- for example exhibitions on the Boulting Brothers, John Mills, Julie Harris and Charlie Chaplin. For an annual fee, people may become members of the National Film Theatre to receive discounted tickets and other benefits.

#### *bfi* London IMAX®

The *bfi* London IMAX® cinema, part funded by £15 million National Lottery money from the Arts Council of England, opened in May 1999, and screens films on a very large screen. The cinema was operated under contract by NMSI Trading Limited (a subsidiary of the National Museum of Science and Industry) between August 1999 and December 2002, when operational management was taken in house by the *bfi*. The programme at the *bfi* London IMAX® cinema includes educational events such as dedicated screenings for schools each weekday morning and previews for teachers.

### Festivals

The *bfi*'s flagship festivals are the annual London Film Festival and London Lesbian and Gay Film Festival, which are screened at the National Film Theatre and at West End cinemas, and run in partnership with a number of commercial sponsors. A selection of the films from the London festivals are then screened 'on tour' by regional cinemas.

#### Film bookings at independent venues

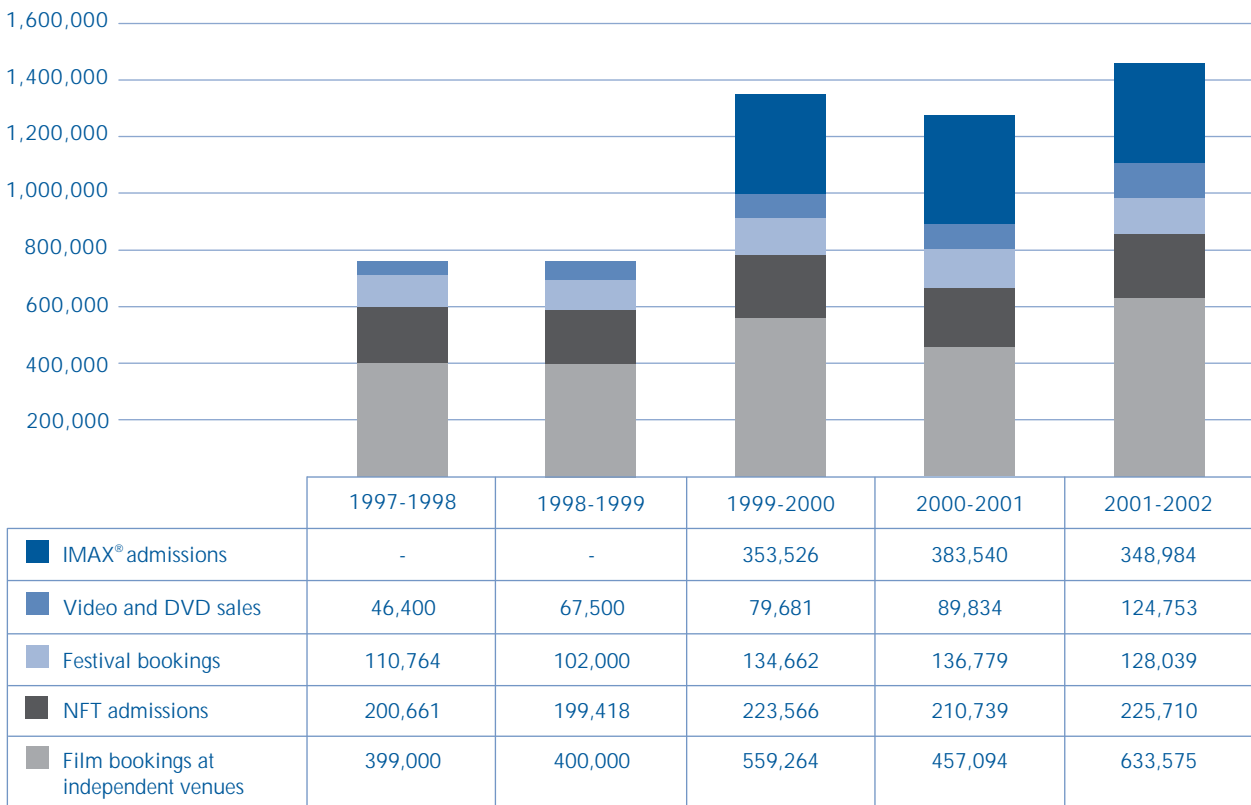
The *bfi* makes material from its collections available in a variety of film and video formats to film societies, independent film theatres and other venues which are able to demonstrate sufficient technical skills and equipment to properly handle and safeguard the film.

#### Video/ DVD sales

The *bfi* publishes a catalogue of films as video and DVD recordings, where these have cultural or educational value. Films include those from the *bfi*'s own Archive or to which the *bfi* has bought distribution rights.

## 4 Take up of opportunities to see films

*The largest numbers of people see bfi films booked and screened by other venues, although numbers have fluctuated year on year, and films at the bfi London IMAX® cinema.*



Source: National Audit Office analysis of bfi data

### The *bfi* London IMAX® cinema

IMAX® ('Image Maximum') cinema uses the largest format film (70mm) shot using specialist cameras and specialist projection and sound equipment to exhibit the film on a very large screen. IMAX® films can also be shot and projected to provide three-dimensional images. The *bfi* London IMAX® cinema, part funded by the Arts Council of England, opened on a site close to the National Film Theatre on London's Southbank in 1999.

Films recently screened at the *bfi* London IMAX® cinema include:

- Three-dimensional IMAX® features including **Cyberworld 3D**, **Haunted Castle 3D**, **Human Body 3D**, **Santa vs The Snowman 3D**, and **T-Rex: Back to the Cretaceous 3D**.
- **The Lion King 2D**, the animated blockbuster digitally re-mastered for the large format IMAX® screen.
- **It's a Wonderful Life** (1946). Frank Capra's comedy drama, screened as part of the non-IMAX® 'After Dark' screenings.



2.7 The *bfi* London IMAX® cinema provides access to a cinematic experience based on film technology, rather than primarily cultural film content, and has contributed to a big increase in the numbers taking up opportunities to see films since it opened in 1999. Audiences at *bfi* London IMAX® in 2001-02 were 60,000 (15 per cent) below the *bfi*'s target of 409,000 and down from the previous year. The *bfi* attributes this in part to the terrorist events of September 11th. The *bfi* also expects that audience numbers will improve as a greater range of IMAX® films becomes available.

2.8 Twenty years ago, in 1981-82, attendances at the *bfi*'s flagship cinema, the **National Film Theatre**, were almost 300,000 but had declined to well below 200,000 a year by the early 1990s. While numbers have varied in the last five years, attendances in 2001-02 had reached 226,000 against a target of 205,000 and were 13 per cent higher than they had been in 1997-98. The most significant rise followed the *bfi*'s 1999 review of the programme at the National Film Theatre, when it reduced the number of different films screened each month but increased the number of times individual

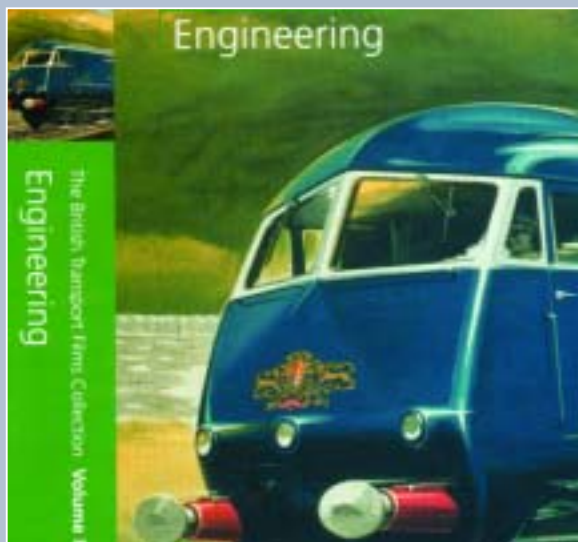
films were screened. In September 2001 the *bfi* surveyed a sample of people who despite being National Film Theatre members had not attended any screenings for over a year. The main reasons cited were competition from local cinemas, television and video, as well as other factors such as conflicting professional and leisure interests.

2.9 There has been strong demand for *bfi* **DVD and video releases**. Between 1997-98 and 2001-02 sales increased from 46,000 to 125,000 (169 per cent), far exceeding the *bfi* 2001-02 target of 80,000. And, since each recording is watched by an estimated ten people on average, the access and education impact is greater still.



### Examples of the *bfi*'s DVD and video releases

The *bfi*'s DVD and video releases include feature films and collections of fiction and non-fiction works. Pictured are **An Actor's Revenge** (1962), a Japanese language film by Kon Ichikawa starring Kazuo Hawegawa; a collection of **British avant-garde cinema** of the 1920s, including a comedy scripted by H G Wells; and a volume of the **British Transport Films** collection.



There are now more limited opportunities for the public to see exhibitions about the moving image

2.10 The *bfi* provided access to its collections of artefacts charting the history and development of the moving image, and interactive exhibits with a strong educational purpose, at the Museum of the Moving Image ('MOMI'). But visitor numbers to the museum had been declining and in 1998-99 were 252,000, down by 23 per cent on the previous year. The *bfi* closed the Museum in 1999 and since then some of the exhibits have been used to create a touring exhibition called '*Moving Pictures*', which attracted 12,000 visitors in Sheffield between February and May 2002.

2.11 Currently, the *bfi* has no means of providing this type of exhibition for the general public. The *bfi* intended that '*Moving Pictures*' would move on to at least four more cities before returning to London, but no more venues have been booked. The *bfi* has provided other opportunities for the public to see exhibits such as posters, costumes and props that had been in the Museum by displaying some of them, for example at the National Film Theatre and other national museums. And, whilst the *bfi* does not intend to open MOMI in its original format, it is planning an exhibition component as part of its proposals for a new "Film Centre", a major long term development which will bring together the National Film Theatre, the *bfi* National Library and the *bfi*'s headquarters.

Use of library facilities has fallen, but on-line access has increased dramatically

2.12 The *bfi* offers a range of library and research services in central London.

#### *bfi* library services

Books, papers and extensive related collections (including stills, posters and designs, and the special collections of material, such as annotated scripts, donated by key individuals in the film world) are available for private and commercial research at the *bfi*'s Stephen Street headquarters in London.

#### Research viewings

Individuals can view films for research purposes using the *bfi*'s nine viewing cubicles and two small viewing theatres.

#### On-line services

Further information about the *bfi* collections is on the *bfi* website, which was completely redesigned and expanded in November 1999, and continues to be developed. The *bfi*'s library catalogue has been available on-line since November 2000.



2.13 Overall, the number of visits to the *bfi* for research purposes is declining and the *bfi*'s strategy is to move resources from traditional library operations and services to deliver more information online. Take up of individual film viewings for research and access to stills, posters, designs and other special collections fluctuates slightly, but, at around 5,000 opportunities taken up a year, is low relative to other *bfi* activities. The number of library visits and requests for library information services together have fallen by 31 per cent from 59,000 to 41,000 between 1997-98 and 2001-02. The *bfi* launched a newly-designed and expanded website in 1999-2000 and continues to enhance this service. In 2001-02, the website was accessed 6.47 million times, an increase of 382 per cent since 1999-2000.

## Development of film culture continues to be underpinned by specific educational products

2.14 The educational benefit of access to film culture underpins all the *bfi* does. In addition, there are explicitly educational outputs including events for teachers and students, books and other published resources.

### Publishing

The *bfi* carries out a range of activity in support of formal education and lifelong learning. A major strand of this is the publishing of books (including encyclopaedic reference works, books on film criticism, history and theory and biographies on key filmmakers) and its monthly film journal *Sight and Sound*.

### Education resources

The *bfi* provides notes and other literature for teachers, related to National Curriculum and public examination requirements, to support programmes at the National Film Theatre, *bfi* London IMAX® cinema and screenings at film festivals.

### Educational events

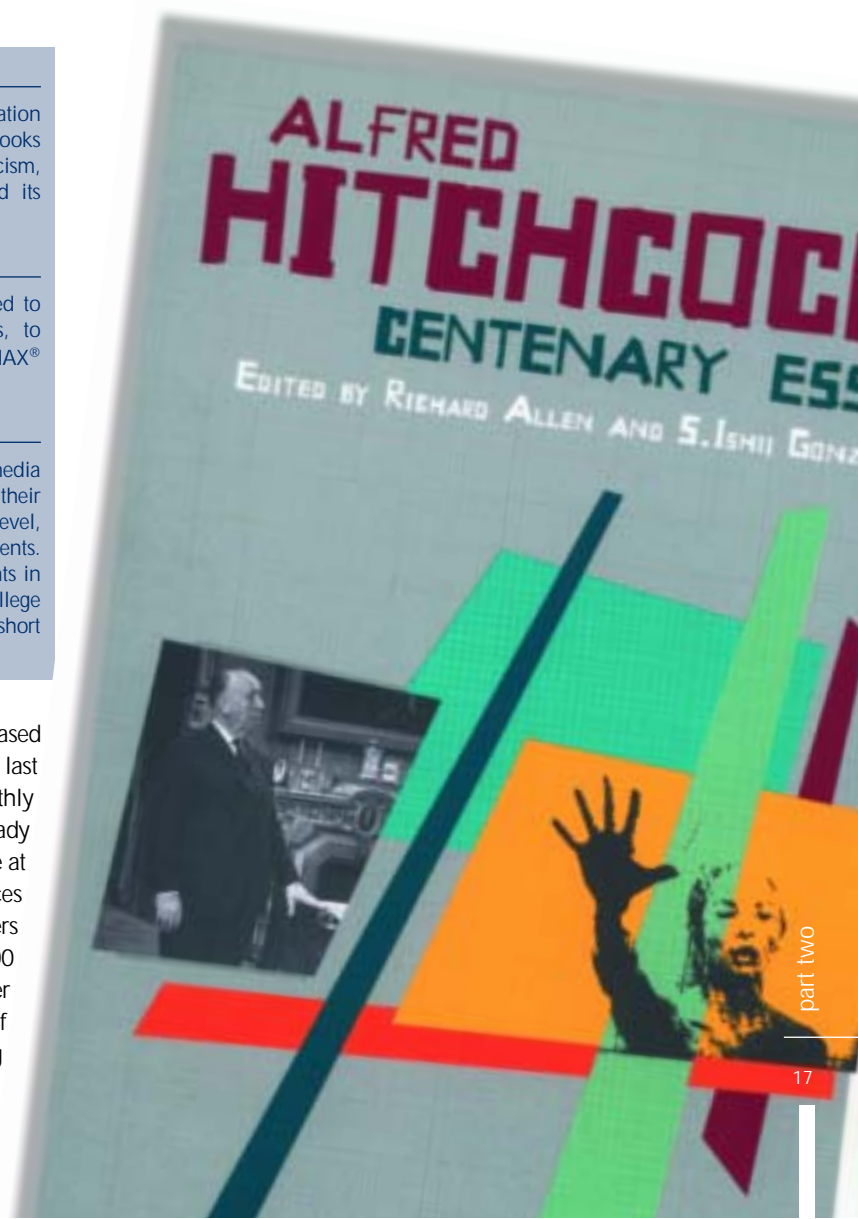
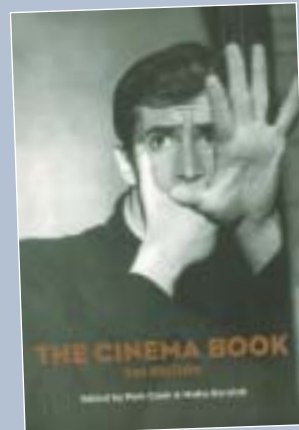
The *bfi* runs a variety of training events for teachers of film and media studies, and other teachers who use moving image materials in their work, including distance-learning modules at Masters degree level, annual conferences and a range of one day in-service training events. The *bfi* also provides events for adult education, school students in support of aspects of the National Curriculum, and for college students. Events include introduced screenings, study days, short courses and presentations by actors.

2.15 Sales of books and educational materials have increased from 74,000 to 100,000 (35 per cent) over the last five years but circulation figures for the *bfi*'s monthly journal *Sight and Sound* have shown a small but steady decline, down seven per cent to 300,000. Attendance at educational events such as short courses, conferences and seminars for schools, colleges and adult learners has fluctuated from year to year. In 2001-02 19,000 places were taken up, and to encourage greater interest the *bfi* has almost tripled the volume of mailings it sends to schools and colleges advising about forthcoming events.

### Examples of the *bfi*'s book publication

The *bfi*'s book publication releases include:

- a series on **film classics** - for example *Citizen Kane*;
- a series on **key filmmakers** - for example Alfred Hitchcock;
- **key reference works** - for example *The Cinema Book*, an introduction to film criticism, including in-depth analysis of more than 350 films.



## 5 The net subsidy required for *bfi* products and services in 2001-02

The figure shows how the *bfi* spends the grant in aid from the Film Council which in 2001-02 amounted to £14.5 million. The net subsidy or grant in aid required for each of the *bfi*'s activities varies widely.

Total net subsidy for activity (£)	Activity	Net subsidy for each access opportunity taken up (£)
168,000	Research viewings	£123.78
124,000	Cataloguing enquiries	£84.27
268,000	Access to special collections, and stills, posters & designs	£77.61
173,000	<i>Moving Pictures</i> admissions	£28.88
1,303,000	<i>bfi</i> National Library visits	£14.57
2,725,000	National Film Theatre admissions	£12.07
883,000	Education events, teacher training, resources & mailings	£5.15
497,000	Touring festivals & regional exhibitors	£3.85
970,000	Film bookings & archive sales	£1.53
192,000	London Film Festival admissions	£1.50
103,000	Book sales	£1.03
155,000	<i>bfi</i> London IMAX® admissions	£0.46
85,000	On-line catalogue enquiries	£0.26
65,000	<i>Sight &amp; Sound</i> sales	£0.22
91,000	Website page impressions	£0.01
(£287,000)	Video & DVD sales	-£2.30
(144,000)	National Film Theatre membership	-£4.91
273,000	Research & library information packs	
767,000	Collections registry	
3,497,000	Preservation, conservation & restoration of the National Film and Television Archive	
1,672,000	Management, development & central costs	
612,000	Capital & contingencies	
14,500,000	<b>TOTAL NET SUBSIDY (GRANT IN AID)</b>	
309,000	Surplus	

Source: National Audit Office analysis of *bfi* data



## Different access opportunities are given widely varying net subsidies

2.16 **Figure 5** shows how the *bfi* used its total grant in aid in 2001-02. The figure also shows the *bfi*'s calculation of the net subsidy (or grant in aid cost) for activities against the number of access and education opportunities taken up. The *bfi* is working to refine its calculations, in particular by ensuring that it breaks the subsidy down for each of the key access and education opportunities it provides. This is important because, at present, some activities are grouped together even though they may actually require different levels of subsidy - for example the *bfi*'s reported subsidy of £5.15 per opportunity for a group of education activities masks a range from an individual subsidy of over £10 for each 'education event attendee' to net income of over £1 for each 'teacher training hour' provided.

2.17 At present, £7.4 million (51 per cent) of the grant in aid is attributed by the *bfi* to access and education opportunities, but this does not take into account the costs involved in maintaining the *bfi*'s underpinning collections (£3.5 million) or central management overheads (£1.7 million). In order to determine the full subsidy required by each access and education opportunity, the *bfi* needs to decide what proportion of these costs should be attributed to each activity.

2.18 The *bfi* anticipates that most of its activities will require a subsidy from public funds but expects that commercial sales of rights to show films (or clips) on television, and DVD and video sales will generate a surplus, in that the money raised from product and ticket sales will be more than enough to cover costs, without any grant in aid support. In 2001-02, DVD and video sales provided a surplus of an average £2.30 per sale. Ticket sales for the *bfi* London IMAX® cinema are expected to break even. However, because ticket sales were lower than forecast, in 2001-02 the *bfi* London IMAX® required net subsidy of over £150,000 or £0.46 per admission.

2.19 The net subsidy in 2001-02 for each of the remaining access and education opportunities taken up ranged from 0.01 pence to use *bfi*'s website to £123.78 for specially requested research viewings in the cubicles and viewing theatres at the *bfi*'s Stephen Street site.

2.20 The *bfi* seeks a balance between the cost of provision and cultural and educational impact, and a variety of provision to serve diverse users and appeal to new customers. In determining priorities and focusing resources, however, the Film Council recognises that it needs to seek from the *bfi* a better analysis of where there is greatest scope to use grant in aid in ways that would help achieve greater impact from access and education opportunities. As an illustration, in making this analysis the *bfi* would have to consider factors including:

- **The scope for using spare capacity to increase access.** If the cost of providing each additional access opportunity is less than the charge made to the customer, then increasing access will reduce the net subsidy required. For example, the *bfi* has achieved higher occupancy rates at the National Film Theatre following its review of programming policy in 1999 (paragraph 2.8).
- **The potential advantages from working with third parties to share costs.** There are opportunities to get more impact from *bfi* subsidy by working with third parties who are able to bear some of the cost. Activities already provided in conjunction with others may involve further public funding. For example *bfi* films are screened at a range of regional cinemas, some of which are funded from a variety of public sources including Regional Screen Agencies (which in turn receive funding from the Film Council) and local authorities. However these partnerships frequently bring other benefits: for example, screenings by regional cinemas provide opportunities for people living outside London to view films from the *bfi*'s Archive and other collections.
- **The willingness of customers to pay increased fees and charges for activities.** Where the *bfi* has surveyed customers, it has found that they generally see the activities as providing value for money (**Figure 6**). Before raising fees, the *bfi* would need to: assess the willingness of groups among its current customers to pay more; conduct market research among potential users to gauge whether those who do not already use activities may be discouraged by the fees charged; and consider whether any customer groups (such as those on low incomes) would be excluded.

## 6 Customer views on the value for money of *bfi* services

Existing *bfi* customers generally see *bfi* services as representing value for money.

Customers	Views on the value for money of the <i>bfi</i> service
<i>Sight and Sound</i> readers	<p><b><i>Sight and Sound</i> readers see the journal as value for money</b></p> <p>News-stand readers and subscribers both rated the value for money of <i>Sight and Sound</i> an overall average of 7.8 points on a scale of 1 to 10. The current cost of <i>Sight and Sound</i> is £3.25 per issue.</p>
Visitors to the <i>bfi</i> London IMAX®	<p><b><i>bfi</i> London IMAX® screenings are rated by most customers as being value for money</b></p> <p>Audiences at the <i>bfi</i> London IMAX® cinema surveyed in October 2001 claimed to be satisfied with the cost of their ticket, 80 per cent rating it as 'excellent' or 'good' value for money. Current standard prices are £7.10 for adults, £4.95 for children and £5.95 concessions. Different rates apply for 'After Dark' screenings of conventional format film releases and Double Features, and there are group discount rates.</p>
Film festival visitors	<p><b>Film festivals are generally described as providing value for money</b></p> <p>The majority of visitors to the London Lesbian and Gay Film Festival, 76 per cent, were 'very satisfied' or 'fairly satisfied' with the value for money of their admission charge when surveyed in June 2001. A slightly lower proportion, 65 per cent, of visitors to the London Film Festival were 'very satisfied' or 'fairly satisfied' in December 2001. The cost of attendance at Film Festivals ranges between around £5 for matinee concessions up to £17.50 for the London Film Festival opening and closing galas.</p>
Visitors to the National Film Theatre and NFT members	<p><b>NFT screenings are seen as value for money by visitors who attend regularly, but not by NFT members who don't</b></p> <p>The results of a small focus group of visitors to the NFT, conducted in 2001, suggested that this group felt that ticket prices represented good value for money. Full price tickets for screenings at the NFT cost £7.20 or, for appropriate screenings, £4.50 for young people under the age of 16. Members may buy tickets at a £1.00 discount for themselves and up to three guests. Research carried out for the Film Council in 2001 showed that these prices are competitive with ticket prices at commercial cinemas in London's West End where the average ticket price in 2000 was around £7.00.</p> <p>Another small focus group - of NFT members who no longer regularly attend the NFT - showed that this group tended to compare ticket prices with smaller independent cinemas rather than the larger commercial operators. This group perceived the NFT to be relatively expensive.</p>

Source: National Audit Office analysis of *bfi* customer surveys

# Part 3

## Attracting new customers

3.1 This Part looks at what the *bfi* is doing to achieve greater use, by a wider range of people, of the access and education opportunities it provides.

### The *bfi* wants more people to use its services

3.2 In 2000-01 the *bfi* reviewed its access policy and concluded that, in line with its corporate objective to increase and broaden access, it needed to reach more people across the United Kingdom as well as serving specialist cinephile audiences. In particular there was a need to extend access by children and young people, and by culturally diverse groups.

3.3 The *bfi* has, therefore, established a new marketing function under the leadership of one of its senior executives. Marketing activity had been fragmented throughout the organisation and had not been part of a sustained communications strategy. The change is designed to ensure that in future marketing and market research for the full range of the *bfi*'s services and products is co-ordinated.

### But the *bfi* needs to know more about its audience

3.4 The *bfi* needs to know more about the customers it already has. There have been many user surveys, but as these have been commissioned largely by individual *bfi* business units responsible for delivering particular services, the coverage has not been complete in terms of either the customer groups or the information sought. Much of the information obtained has been about customer care, and the coverage of data on the characteristics of its customers is patchy (Figure 7).

3.5 So far as it is possible to tell from the limited information available from the *bfi*'s customer surveys, *bfi* audiences have a strong bias towards those living in London and the South East, and having above average incomes. And, whilst the *bfi* appears to be reaching diverse audiences in terms, for example, of ethnicity or sexual orientation, very few young people take up access opportunities such as those offered by the National Film Theatre.

3.6 The *bfi* also identified the need, in reviewing its access policy, to find out more about its potential customers. While the *bfi* understands the needs and interests of its traditional core market (for example, academics, existing audiences at the National Film Theatre and Regional Film Theatres, and commercial researchers and production companies) it needs to know more about what other potential customer groups want.

3.7 Another way the *bfi* could strengthen its customer information would be to develop a better understanding of how successful it is at attracting new customers, benchmarked against targets. At present the *bfi* does not set targets for the number or type of new customers and its performance information is patchy. For example, while it has information about the proportion of first time visitors to the *bfi* London IMAX<sup>®</sup> cinema (62 per cent) and the proportion of new readers for *Sight and Sound* (11 per cent), it does not have the same information for the National Film Theatre.

3.8 Now that the *bfi* has a more integrated structure for its market research (paragraph 3.3) it has the opportunity to collect more comprehensive information about its customers.



**7 The extent of the *bfi*'s research on the characteristics of its existing customers**

*The *bfi*'s research into the characteristics of its current customers has been patchy.*

<i>bfi</i> service or product	Data on the diversity of existing customers					
	Ethnic origin	Age range	Sexuality	Disabled/ special interest groups	Geographic location of home	Socio- economic group or income
National Film Theatre	X	✓	X	X	X	X
London Film Festivals	✓	✓	✓	X	X	✓
Film bookings	X	X	X	X	X	X
Video/ DVD sales	X	X	X	X	X	X
<i>bfi</i> London IMAX®	X	✓	X	X	✓	X
MOMI and <i>Moving Pictures</i>	X	X	X	X	X	X
Research (including library customers)	✓	X	X	X	✓	X
Remote access to <i>bfi</i> data	X	X	X	X	X	X
Education events	X	X	X	X	X	X
Mailings	X	X	X	X	X	X
Publishing sales	X	X	X	X	X	X
<i>Sight &amp; Sound</i>	X	X	X	X	✓	✓

Source: National Audit Office

The challenge is meeting the needs of existing customers while attracting new customers

3.9 In seeking new audiences the *bfi* has to judge the extent to which it can provide products which appeal to a much larger customer base while maintaining the quality, breadth and cultural value of its products and services. The examples below show how the *bfi* is seeking to appeal to diverse audiences.

Cultural diversity

3.10 The *bfi* screens at the National Film Theatre and the London Film Festival a diverse offering of international and foreign language films. The *bfi*'s DVD and video catalogue includes films from more than 20 countries, covering five continents. And the annual London Lesbian and Gay Film Festival is in its 16th year.

3.11 In addition, the *bfi* publicly launched a three-year cultural diversity strategy in 2000. Guided by this strategy the *bfi* seeks to serve as many as possible of the different cultural identities, heritages and perspectives of people in the United Kingdom. The strategy establishes as specific priorities Black and Asian (phase 1), disabled (phase 2), and lesbian and gay people (phase 3). The *ImagineAsia* festival of Asian cinema between April and November 2002 was intended to address the first priority, and the *bfi* is currently implementing a number of measures in respect of disability diversity. The *bfi*'s activities in relation to sexuality issues, originally planned for 2002, are on hold until the other phases of the strategy are completed.

## Young people

3.12 The programme of films at the *bfi* London IMAX® cinema is designed specifically to appeal to families, although visitor surveys carried out for the *bfi* in October 2000 and October 2001 found that the proportion of people visiting with children at that time fell from 51 per cent to 31 per cent. The National Film Theatre is also working to attract young people. Some 60 per cent of its screenings are open to those under the age of 16 if accompanied by an adult. The most recent survey (1999) of the age profile of those attending National Film Theatre screenings showed that less than four per cent were under the age of 18. The National Film Theatre is working to attract young people with a dedicated strand of programming for weekends and school holidays called *Movie Magic*, launched in 2001. This consists of film screenings, workshops and playgroups.

## The education market

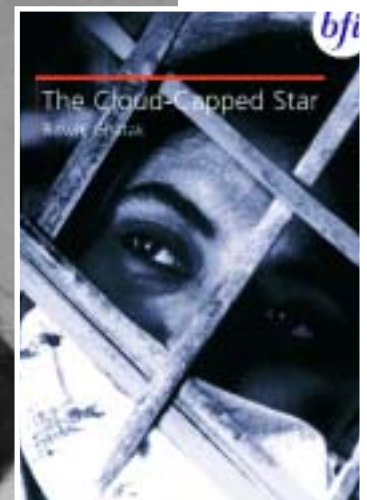
3.13 The *bfi* has been giving particular attention to widening the audience for its formal education activities. The *bfi*:

- is looking to promote the potential for education about the moving image to fulfil National Curriculum requirements, and is currently attempting to map the extent of media literary provision in schools;
- has commissioned research to gauge what teachers are prepared to pay for educational events; and
- is exploring the scope for partnership working, for example through supporting local initiatives by schools and cinemas.

However the *bfi* recognises that there needs to be greater clarity, both internally and externally, about the nature and purpose of the educational work that it undertakes, and has appointed consultants to carry out a wide-ranging review to assess whether there are gaps in education provision and the effectiveness of the service provided.

### Phase 1 of the *bfi*'s cultural diversity strategy: *ImagineAsia*

The *bfi*'s *ImagineAsia* celebration of South Asian cinema ran from April to November 2002. It involved 67 partner organisations and covered some 650 films. *ImagineAsia* centred around the *Beyond Bollywood* programme of South Asian films which was screened (in full or in part) at venues across England and in Scotland, Wales and Northern Ireland - at some 40 locations including Regional Film Theatres, commercial and independent cinemas, and museums, arts and community venues. *ImagineAsia* also included: the release of new film prints, videos and DVDs; the *Bollywood in Love* and *Bigger than Bollywood* touring exhibitions of posters; tie-in events at the National Film Theatre; and the publication of educational materials.



## Geographical coverage

3.14 **Figure 8** shows the extent to which the *bfi* has attracted audiences from outside London and the South East for those activities for which it has commissioned surveys. Of the visitors to the *bfi* London IMAX® cinema surveyed in 2001, 69 per cent were from London and the South East and 20 per cent were from elsewhere in the UK. A lower proportion of purchasers of *Sight and Sound*, the *bfi*'s monthly journal, were from London and the South East (43 per cent) and 39 per cent of people were from elsewhere in the UK.

3.15 The National Film Theatre, London Film Festival, London Lesbian and Gay Film Festival and *bfi* London IMAX® cinema are all London based. There is, though, a push to reach a wider regional audience. The Film Council has established new Regional Screen Agencies and now funds film access and education in the regions directly, rather than via the *bfi*. The *bfi* itself is also seeking to increase its geographical coverage through:

- **Making its films available for exhibition at cinemas and film societies.** Films from the *bfi*'s collections play in around 140 independent cinemas in England, Scotland, Wales and Northern Ireland and in up to 200 other venues, provided these have appropriate equipment and skills necessary to handle the archive material. Attendance at these screenings has steadily increased (paragraph 2.6) and represents a significant audience for *bfi* films. Except in cases where the *bfi* itself owns the rights to a film, box office takings flow between the cinema and the film distributor.
- **Developing national events.** The *bfi*'s celebration of South Asian film, *ImagineAsia*, which took place between April and November 2002, involved partners across England, and in Scotland, Wales and Northern Ireland. As well as the *bfi*'s own film festival in London, other festivals participated, including the Edinburgh International Film Festival, the Leeds International Film Festival, and the Birmingham Film and Television Festival. *ImagineAsia* was supported by educational activities and events across the United Kingdom (see box on page 23);



### Movie Magic events for children at the National Film Theatre

**Oliver!** Children were invited to dress in Victorian costumes and spend an hour making their own film. Then they were able to watch a screening of the film *Oliver!*

**The Iron Giant.** Before this screening of a film about a robot and a small boy, children and parents joining a drop-in workshop could collect pieces of the iron giant to make their own metal monster.

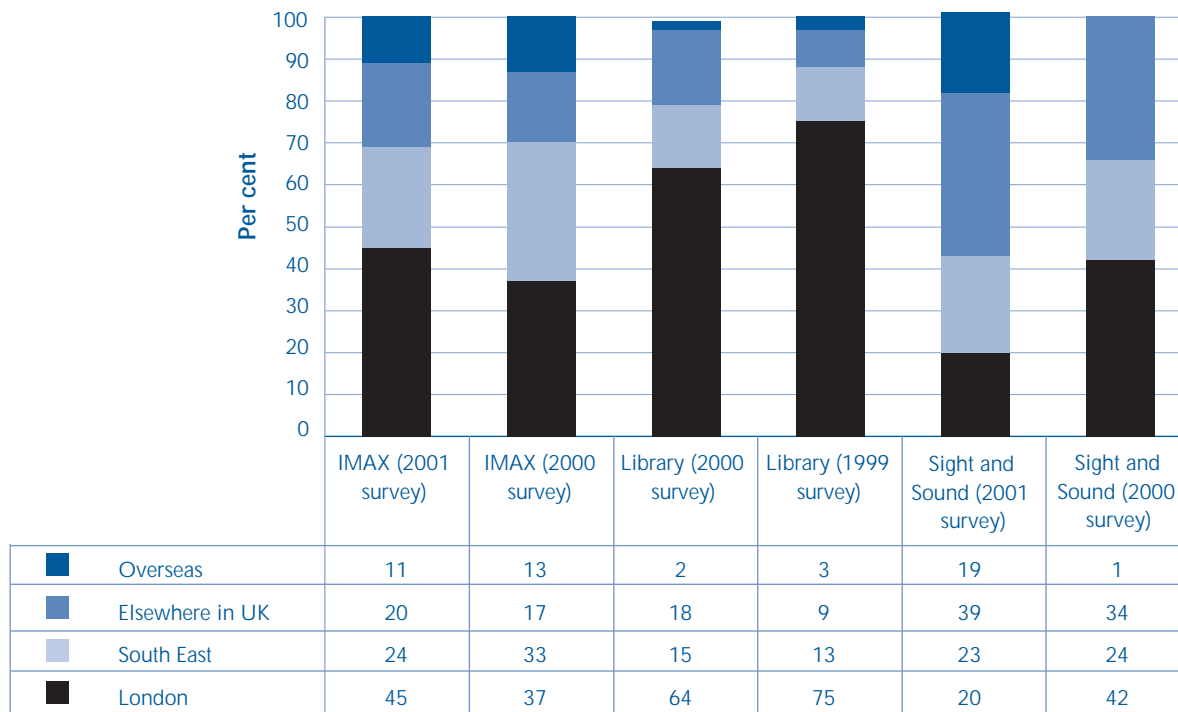
**Entertaining the Nation.** Families could join a workshop in readiness for the performance of 'Entertaining the Nation', becoming members of a 1940s cinema club by creating their own badges, learning the club song and meeting the Cinema Commissioner. Actors taking the roles of a 1940s Cinema Commissioner and Usherette led the audience through an experience of wartime Saturday cinema including early colour cartoons and *Flash Gordon*.



Participants in the 'Entertaining the Nation' event

## 8 Examples of the geographical reach of *bfi* services

The majority of library users and visitors to the *bfi* London IMAX® live in London or the South East. Readers of *Sight and Sound* are more widely spread, but still have a bias towards the South East.



### NOTE

For two surveys, percentages do not add to 100 per cent because of rounding.

Source: National Audit Office analysis of *bfi* data

- Promoting touring National Film Theatre programmes and film festivals.** The *bfi* estimates that almost 80 per cent of people attending the London Film Festival live in London, so it promotes a small selection of features and short films from the festival to regional exhibitors. A programme of eight films from the 2001 festival visited seven cities in England, Wales and Scotland. Similarly, independent regional cinemas in 36 towns and cities across the United Kingdom chose to screen between two and 12 films each from the 200 films earlier shown at the 2002 London Lesbian and Gay Film Festival. Overall, during 2001-02 there were 53,328 attendances at touring festivals.
- Offering programming advice to independent cinemas and multiplexes across the United Kingdom.** The *bfi* offers programming advice to commercial multiplex venues as well as independent cinemas, with the aim of increasing opportunities for the public to see a diversity of arthouse and classic films. The *bfi* subsidises this work as helping to meet its objective to widen opportunities for the public to access film culture. The *bfi* supported 151 venues in this way during 2001-02.





# Part 4

## The National Film and Television Archive

- 4.1 The National Film and Television Archive exists to preserve the nation's moving image heritage, and to make it accessible to the public for education and enjoyment throughout the United Kingdom. Much of the material in the Archive is donated voluntarily by a wide range of organisations, although the Department is considering legislation that would give the *bfi* the power to require British films to be deposited. In the light of the *bfi*'s access and education priorities, this Part focuses on the *bfi*'s work to conserve, and make available for viewing, the collections, rather than the completeness of the collections as a historical and heritage record.
- 4.2 Specifically, this Part looks at: the use made of the Archive; acquiring and cataloguing materials; and inspecting and processing materials.

### Limited use is made of the Archive for cinematic exhibition, but other access opportunities draw on it heavily

- 4.3 The *bfi* interprets its responsibility to provide access to and education about the moving image to include, potentially, all film and television. The films and other moving image material the *bfi* makes available for the public to experience are drawn from its collections, other film archives such as those overseas (the *bfi* lends its own material in return) and commercial sources, including new film releases.
- 4.4 **Figure 9** shows that, in 2001, limited use was made of Archive material by the *bfi* for cinematic exhibition (including screenings at the National Film Theatre and London Film Festival). But some 40 per cent of video and DVD titles published were drawn from the Archive, and research viewings at the Stephen Street building in London and commercial sales of film rights were all of Archive material. The Archive makes films available through the *bfi* activities listed in Figure 9 - there is no open public access at any of the sites where film and television material is stored.

The **National Film and Television Archive** is one of the oldest established and largest archives of film and television in the world. Established in 1935, it holds the national collection of British-produced or British-related film, television programmes and video recordings of all kinds exhibited or transmitted in the United Kingdom. The Archive costs over £3.5 million a year in public subsidy to run. The Archive includes:

- 50,000 fiction film titles
- 100,000 non-fiction film titles
- 250,000 television programmes

Most of the *bfi*'s film collection is located at the J Paul Getty Junior Conservation Centre in Berkhamsted (Hertfordshire), although flammable nitrate film is kept separately at a *bfi* storage site in Gaydon (Warwickshire). Much of the material accepted is donated by a wide range of organisations, including film and television companies (producers, distributors, laboratories and broadcasters), in-house film departments from other industry (including large British or UK-based companies), and government bodies. The *bfi* preserves and conserves film-based public record material, acting as an agent of the Public Record Office which has a statutory responsibility for this material under the Public Records Act 1958. The *bfi* also has statutory responsibilities for archiving a proportion of the television material transmitted in the United Kingdom, and does this primarily by recording transmissions 'off air'.



Film canisters in the National Film and Television Archive



**9 The extent to which film access and education opportunities used material from the National Film and Television Archive in 2001**

*A limited proportion of access and education opportunities draw on the bfi's own film collections.*

<i>bfi</i> activity	The extent to which film access and education opportunities used material from the Archive in 2001
<b>Cinematic exhibition to the general public:</b>	
National Film Theatre	433 film screenings out of an estimated 2,200 (20 per cent).
London Film Festival	Two titles out of 283 screened (less than 1 per cent). These two titles were included in the 15 titles which formed the "Treasures from the Archive" part of the Festival.
Film bookings at independent venues	2,867 titles out of 10,628 screened (27 per cent).
<i>bfi</i> London IMAX® cinema programme	Two titles out of 41 screenings (5 per cent) were productions which used material from the Archive, although these were not large-format IMAX® films.
<b>Publishing and film sales:</b>	
Video and DVD releases	40 per cent of titles released in 2001-02. The <i>bfi</i> also publishes films on video and DVD which are not in the archive but to which it has bought distribution rights.
Commercial sales of rights to show films or clips on television	100 per cent of the 426 sales.
<b>Private and commercial access:</b>	
Research viewings	100 per cent of the 1,350 viewings
<b>Education events:</b>	
Events for young people, A level students with their teachers, and adults	46 out of 136 events (34 per cent) incorporated screenings of film material from the Archive

Source: National Audit Office analysis of *bfi* data

- 4.5 The *bfi* considers that, in part, the limited use made of the Archive may reflect the nature of some of the material, for example, there may be little demand for public exhibition of non-fiction material. Nonetheless, this material can have substantial educational interest, and the *bfi* is taking steps to make it more accessible through publication on video and DVD, developing partnerships with art galleries, and digitising core collections so that they can be accessed online by schools and libraries.
- 4.6 However, as the rest of this Part shows, a substantial but not fully quantified volume of material in the National Film and Television Archive is simply not available for viewing and there are substantial obstacles to be overcome in order to make resources in the Archive more readily accessible - there are backlogs of film material waiting to be accepted into the collection and preservation work and, of the film material which is catalogued, the *bfi* estimates that 46 per cent is currently viewable.

## Some material has not been formally accepted into the collection or catalogued

- 4.7 The first task in dealing with any material newly received by the *bfi*, is an initial assessment to confirm that the material should be accepted into the collection (unaccepted material may be offered to other collections or destroyed) and allocation of an accession number by which it can be identified. There is a significant backlog of work at this stage. Because this material has not been assessed, the *bfi* does not know exactly how much there is nor what proportion of it will be accepted into the collection, but estimates that this backlog represents between 20 and 25 per cent of the film in the Archive.
- 4.8 Accepted material is then catalogued. Since 1998 the *bfi* has been working to examine, identify and catalogue a specific part of its collection - British material, or material with a British interest, produced no later than 1984 and which was accepted by the *bfi* before 1997. The estimated cost of the project is £12.1 million, including £9.1 million of National Lottery funding from

the Heritage Lottery Fund. By March 2002 the *bfi* had examined over 70,000 items of film, but there remained an estimated 48,000 items still to be dealt with.

4.9 Meanwhile, the backlog continues to grow. The *bfi*'s efforts to catalogue film material are focused mainly in the Lottery funded project and material produced since 1984 is ineligible for attention under this project. And the *bfi* is adding in excess of 3,500 films a year to its collections which are contributing to the backlog.

## There are unquantified backlogs in preservation work

4.10 A key part of the *bfi*'s work in maintaining the National Film and Television Archive is the handling, conservation and preservation of fragile film materials, and creating viewable copies of Archive films.

4.11 Again, the *bfi* has a large and unquantified backlog of preservation work, and the preservation work the *bfi* is doing is largely driven by demands to access specific films. As a result, parts of the Archive are at risk of being lost, including:

- Safety film known to be degrading (becoming 'acetic'). This includes at least 848 identified master copies of films. The *bfi*'s testing programme does not cover the entire collection and it does not know what proportion of material in the collection is now acetic.

- Collections of nitrate film, the proportion of which at serious risk of degradation has not been estimated by the *bfi*. Approximately 110 million feet of such film have not been duplicated. The *bfi* has not assessed how much is at risk.
- Material produced from nitrate originals for preservation purposes but which has not yet been checked to assess the quality of the duplication process. There are approximately 10,000 such films awaiting checking. This work is urgent because the nitrate source material is vulnerable to degradation.
- Obsolete video formats vulnerable to degradation.

4.12 In October 2002 the *bfi* requested that the Heritage Lottery Fund consider redirecting part of the grant to extend the original project to undertake a one-off salvage and stabilisation programme of the estimated 200,000 cans of nitrate and safety film held at the *bfi*'s Gaydon site. This includes some 120,000 cans of nitrate film stored in the site's oldest vaults in conditions that lack temperature or humidity control, leaving the film particularly vulnerable to deterioration or attack by mould, and the cans liable to rust. Most of the cans in these vaults are showing evidence of rust and in a sample test of 80 cans, the *bfi* found mould to be visible on 53 per cent of the reels of film examined and evidence of decomposition was found in 26 per cent of reels.

4.13 The Heritage Lottery Fund concluded that it could not approve a transfer of funding to a project so different in scope from the original application, and that the *bfi* would have to submit a new grant application for consideration against the Heritage Lottery Fund's current assessment criteria and funding priorities.

### The *bfi*'s work to preserve and restore important films in the National Film and Television Archive

All film is subject to gradual decay. One type of film, that based on cellulose nitrate, is highly flammable and at risk of rapid but unpredictable deterioration. Acetate or 'safety' film stock does not have this fire risk, but can decompose by stages, releasing acetic acid (a process known as 'vinegar syndrome'). The risks of deterioration are reduced if film is stored in an appropriate, controlled environment. All material has to be inspected in detail to establish its condition and vulnerability to decay, the most appropriate storage conditions, and the urgency of any preservation work that might be required. Conservation or preservation can involve cleaning film, re-canning it, or making new copies. Full restoration can also require detailed comparison of multiple copies of the film, editing together the best preserved material.





## Not all catalogued and preserved material in the Archive can be accessed readily

4.14 Even film that has been accepted into the collection, catalogued and preserved may not be readily or widely accessible, because:

- **It takes time to identify or make copies of films suitable for viewing.** If there is only a single copy of a film in the Archive, the *bfi* makes separate viewing copies on film or video, rather than risk damage to a unique 'master' copy. The *bfi* believes that virtually all of the television collections and an estimated 46 per cent of the film collections that have been examined are currently viewable. Following a change of policy in 2001 viewing copies are made only when they are needed. But this can take anything from weeks to months depending on the condition of the master copy. And existing copies may not be readily viewable - for example the *bfi* estimates that it has 50,000 titles where there are multiple copies but it has not decided which is the master copy, and more than 25,000 viewing copies which have not yet been quality checked or prepared for use.
- **There are restrictions on the use of some Archive material as a result of copyright or specific conditions imposed by donors.** The *bfi* owns very little of the material in its collections but has limited and fragmented information on the rights attached to

Archive titles. It has recently carried out a survey to establish the copyright status of materials donated in the last 30 years, to identify material where the copyright has expired and where there is no known or easily traceable rightsholder. Altogether, the *bfi* estimates it will be able to use up to 15 per cent of the collections without the need to clear rights. Where the *bfi* is limited to providing research access at *bfi* premises, it is negotiating with donors to allow research access at regional film archives, screenings at *bfi* premises and Regional Film Theatres, and use in educational products.

- **There are separate databases for filmographic and technical information on Archive holdings.** The fragmented nature of the *bfi*'s information constrains its ability to provide access to the Archive and, particularly, to develop new opportunities for wider access. While *bfi* staff are able to identify viewing copies of related films and television programmes by criteria such as the cast, director or subject matter ('filmographic' information), these records are not linked to technical information such as the condition of the viewing copy. The situation is complicated by the fact that there are currently over 30 separate computer databases or collections of manual record cards. The *bfi* is undertaking a computer database project which will link all of this information together. The *bfi* recognises the potential commercial value of its data, and plans to make some of it freely available, and to develop additional commercially viable products.



# Appendix 1

## The National Audit Office approach

### Study scope

- 1 The Film Council has an objective to develop film culture by improving access to, and education about, the moving image. In practice the Film Council funds the British Film Institute (*bfi*) to carry out much of the activity in support of this objective, and this is the focus of our Report. We examined the Film Council's funding and oversight of the *bfi* (Part 1); the take up of access and education opportunities (Part 2); efforts to broaden access by attracting new customers (Part 3); and the underpinning management and preservation of materials in the National Film and Television Archive (Part 4). In seeking to examine the value derived from the Film Council's funding, we also conducted fieldwork at the *bfi*. We are grateful to staff in both organisations, and to the Department, for assisting us with our work.

### Study methodology

- 2 The key methods we used are set out in the table below:

Interviews and reference groups (informed the whole Report)	
<p>We undertook in-depth interviews with staff at the Department for Culture, Media and Sport, the Film Council, and the <i>bfi</i> during the course of our study.</p> <p>Before drafting our Report we tested our emerging findings with reference groups from the Film Council and the <i>bfi</i>. In facilitating these groups we encouraged staff to self assess their own organisations' performance, highlight initiatives underway and identify remaining key evidence for the report.</p> <p>This work is relevant to the whole Report.</p>	<p>We conducted <b>interviews</b> at:</p> <ul style="list-style-type: none"> <li>■ Department for Culture, Media and Sport</li> <li>■ Film Council</li> <li>■ <i>bfi</i> headquarters and National Library at Stephen Street;</li> <li>■ <i>bfi</i> National Film and Television Archive at Berkhamsted;</li> <li>■ <i>bfi</i> National Film Theatre;</li> <li>■ <i>bfi</i> London IMAX® Cinema</li> </ul> <p>The <b>reference group</b> members were:</p> <ul style="list-style-type: none"> <li>■ senior staff from the <i>bfi</i>, including those responsible for finance, corporate planning and the <i>bfi</i> departments providing access and education opportunities and managing the <i>bfi</i>'s collections;</li> <li>■ senior staff from the Film Council, including those responsible for performance monitoring of the <i>bfi</i>.</li> </ul>
Review of key funding and reporting documents (Part 1)	
<p>We examined key funding, reporting and policy documents from the Department for Culture, Media and Sport, the Film Council, and the <i>bfi</i>.</p>	<p><b>Documents examined</b> included:</p> <ul style="list-style-type: none"> <li>■ The Film Council's Funding Agreement with the Department for Culture, Media and Sport and the Film Council's corporate plan;</li> <li>■ the <i>bfi</i>'s Funding Agreement with the Film Council, the <i>bfi</i>'s business plans, corporate planning documents, and reports to the <i>bfi</i> Board of Governors and Audit and Governance Committee;</li> <li>■ performance monitoring reports from the <i>bfi</i> to the Film Council, and from the Film Council to the Department for Culture, Media and Sport;</li> <li>■ the strategic review commissioned by the Secretary of State that led to the establishment of the Film Council, and subsequent policy announcements.</li> </ul>

### Analysis of financial and performance data (Part 2)

We analysed financial records and key performance data in order to establish the take up of the different access and education opportunities provided by the *bfi* and the level of subsidy from grant in aid required to support those activities.

Our **analysis** covered:

- the *bfi*'s key performance indicators;
- the *bfi*'s financial statements and management accounts;
- *bfi* analysis of financial data for the *bfi* Board of Governors.

### Analysis of *bfi* customer surveys (Part 3)

We analysed the results from customer surveys and other research carried out or commissioned by the *bfi*.

**Surveys analysed** included:

- visitors to the *Moving Pictures* touring exhibition; carried out in February and March 2002;
- visitors to the *bfi* London IMAX® cinema; carried out in October 2000 and 2001;
- National Film Theatre members; a structured telephone survey carried out in September 2001 and two focus groups carried out in July 2002;
- users of the *bfi* website; carried out between March and May 2002;
- users of the *bfi* library and reading room; carried out in January 1999, November 2000 and April 2002;
- subscribers to the *bfi* information service; carried out in January 2002;
- readers of *Sight and Sound*; carried out in June 2000 and June 2001;
- visitors to the London Film Festival; in November 1997 and between November and December 2001, and to the London Lesbian and Gay Film Festival, carried out between March and April 2002;
- users of all the *bfi*'s collections, including the National Film Theatre, library, research services, publications, MOMI and Archive, carried out during 1999.

### Analysis of Film Council and *bfi* development plans (Parts 3 and 4)

We examined the Film Council and the *bfi*'s strategies and development plans for encouraging access, exhibition and education, and examined the *bfi*'s work to establish the content and condition of the National Film and Television Archive.

**Development plans and strategies examined** included:

- *bfi* education strategy;
- *bfi* access policy;
- *bfi* internal reports on sales prospects for film and footage releases;
- programming strategy for the National Film Theatre;
- *bfi* cultural diversity strategy;
- Film Council's strategy for regional investment in England;
- *bfi* collection department acquisition and disposal policy;
- *bfi* initial collection survey and preservation strategy for film collections at its Gaydon site;
- analysis by the *bfi* of the content and copyright status of materials in the National Film and Television Archive.

# Appendix 2

## The objectives of the Department, the Film Council and *bfi*

There is an overall sense of consistency between the aims, objectives and goals of the Film Council and the *bfi*, but the relationship between them has not been clearly articulated in the Funding Agreement between the two organisations.





**The 2002 Public Service Agreement for the Department for Culture, Media and Sport sets out the Department's three objectives**

**Objective I: Increase participation in culture and sport and develop our sectors.**

*Target 1: Enhance the take up of sporting opportunities by 5-16 year olds by increasing the percentage of school children who spend a minimum of two hours each week on high quality PE and school sport within and beyond the curriculum from 25% in 2002 to 75% by 2006 (Joint target with the Department for Education and Skills).*

*Target 2: Increase significantly the take up of cultural and sporting opportunities by new users aged 20 and above from priority groups.*

**Objective II: Develop appropriate regulatory frameworks that protect consumers' interests and improve the productivity of our sectors.**

*Target 3: Improve the productivity of the tourism, creative and leisure industries.*

**Objective III: Modernise delivery to the customer by ensuring that the Department and its sponsored bodies improve performance and pursue institutional excellence.**

*Target 4: Improve significantly the value for money of the Department's sponsored bodies measured by a matrix of Non-Departmental Public Body (NDPB) indicators.*

The 2002-03 Funding Agreement between the Film Council and the *bfi* lists the Film Council's two "overarching objectives". In practice the Film Council funds the *bfi* to carry out much of the activity in support of the second of these objectives (highlighted).

(1) Develop a sustainable United Kingdom film industry.

(2) Develop film culture in the United Kingdom by improving access to, and education about, the moving image.

The Film Council's 2000-02 Funding Agreement with the Department for Culture, Media and Sport lists 13 "goals". Eight of these, highlighted, are especially relevant to the Film Council's sponsorship of the *bfi*

(1) Provide leadership and guidance for the industry.

(2) Act as an interface between the industry, its representative bodies and the Department for Culture, Media and Sport.

(3) Promote film activity in the nations and regions and ensure that national and regional bodies work in concert to contribute towards the Film Council's goals.

(4) Improve education about the moving image.

(5) Extend and improve access to film culture and film heritage, serving the diverse geographical needs of the UK's nations and regions, and recognising the differing needs of rural, suburban and metropolitan locations.

(6) Support innovative film-making, to develop film culture and encourage creative excellence and nurture new talent.

(7) Support and encourage cultural diversity and social inclusiveness.

(8) Help maximise inward investment.

(9) Help maximise exports.

(10) Attract more private finance into film in order to catalyse the emergence of new structures.

(11) Improve the quality of British films and ensure they receive appropriate exposure.

(12) Promote and encourage use of digital technology.

(13) Help ensure an adequate supply of skills and new talent.

In addition to the Film Council's two **"overarching objectives"**, the 2001-02 Funding Agreement between the *bfi* and Film Council separately details the *bfi*'s five **"objectives"**

- (1) To increase and broaden access for this and future generations to a diversity of film and moving image material.
- (2) To develop the UK's film and moving image resources to achieve their full educational and learning potential.
- (3) To raise standards in the teaching of, and learning about, film, television and the moving image in both formal and informal settings.
- (4) To continuously improve the quality of services, which includes the effective use and enhancement of staff skills and knowledge.
- (5) To manage services efficiently and economically to give best value to the UK taxpayer and other funders.

The **2002-03 Funding Agreement between the Film Council and the *bfi*** also lists the *bfi*'s nine **"high level goals"**

- (1) An increasing engagement with film and the moving image by children and the wider population.
- (2) The incorporation of moving image studies within the UK National Curricula at all levels.
- (3) Improved access to quality resources to support information, study and research needs relating to film and the moving image.
- (4) Preservation of the moving image heritage in the national interest.
- (5) Increasing access to the *bfi*'s collections.
- (6) Curation and contextualisation of the *bfi* collections for wide educational use.
- (7) Operation of the national cinema exhibition centre of excellence (including the National Film Theatre, London Film Festival and IMAX®) programming a diverse and exemplary range of material from world and UK cinema.
- (8) Facilitation and implementation of the Film Council's developing UK-wide exhibition strategy.
- (9) Development and implementation of policies for cultural diversity and social inclusion.

The *bfi*'s **Royal Charter** defines five **"goals"**

- (1) To encourage the development of the arts of film, television and the moving image throughout Our United Kingdom.
- (2) To promote their use as a record of contemporary life and manners.
- (3) To promote education about film, television and the moving image generally, and their impact on society.
- (4) To promote access to and appreciation of the widest possible range of British and world cinema.
- (5) To establish, care for and develop collections reflecting the moving image history and heritage of Our United Kingdom.