

The following provides details of how the BFI's Film Fund fulfils the terms of the General Block Exemption Regulation.



The British Film Institute – Film Fund

Member State

United Kingdom

Region

N/A

Title of aid Scheme

BFI Film Fund – support for development, production and distribution

UK Legal Basis

The National Lottery etc. Act 1993 (as amended)

A full version of the amended Act can be found at:

<https://www.legislation.gov.uk/ukpga/1993/39/contents>

EC Legal Basis

All aid provided under this Scheme will be within the limits set out in Article 54 of Commission Regulation (EU) No 651/2014 of 17 June 2014 as amended by Commission Regulation (EU) No. 2017/1084 of 14 June 2017 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (**GBER**). A full version of the Regulation can be found at:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1540913231806&uri=CELEX:32014R0651>

A full version of the amending Regulation can be found at:

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1084&qid=1540912708493&from=EN>

Duration of the Scheme

Aid under this Scheme may be granted until 31 March 2022.

Granting Authority

The British Film Institute, a charity incorporated by Royal Charter dated 18 July 1983 (as amended by order of Privy Council dated 19 April 2000) and registered in England and Wales under number 287780 has been authorised by The Department for Digital, Culture, Media & Sport to implement the Scheme.

Definitions

In this Scheme the following expressions have the same meanings attributed to them as in the GBER:

“aid” means any measure fulfilling all the criteria laid down in Article 107(1) of Treaty;

“aid intensity” means the gross aid amount expressed as a percentage of eligible costs, before any deduction of tax or other charge;

“date of granting the aid” means the date when the legal right to receive the aid is conferred on the beneficiary under the applicable national legal regime;

“difficult audio-visual works” means the works identified as such by the Member State on the basis of pre-defined criteria when setting up schemes or granting the aid and may include films whose sole original version is in a language of a Member State with a limited territory, population or language area, short films, films by first time and second-time directors, documentaries, or low budget or otherwise commercially difficult works;

“eligible costs” means:

- (a) For production aid: the overall costs of production of audiovisual works including costs to improve accessibility for persons with disabilities.
- (b) For pre-production aid: the costs of script-writing and the development of audiovisual works;
- (c) For distribution aid: the costs of distribution and promotion of audiovisual works;

“territorial spending obligations” mean the obligations imposed by the authority granting the aid on beneficiaries to spend a minimum amount and/or conduct a minimum level of production activity in a particular territory;

“Treaty” means the Treaty on the Functioning of the European Union (Consolidated Version 2016) OJ C 202, 7.6.2016.

Objective of the Scheme

The BFI uses UK National Lottery funds to develop and support original filmmakers and films and to increase the audiences who can enjoy them. It provides support for the production, development, completion and distribution of feature films with a focus on projects which respond to its core objectives which are to support:

- The early careers of ambitious filmmakers
- Work with cultural relevance or progressive ideas
- Filmmaking that takes risks on talent, form and content, where the more commercial sector cannot
- Work that recognises the quality of difference – in perspective, in talent, in recruitment
- An increase in the number of active projects originated by filmmakers outside London and the South East region of England.

Scope of the Scheme

1. The BFI’s Development Fund is intended for the formal development of projects that are unlikely to be commercially financed at an early stage and would therefore benefit from National Lottery support. It aims to award funding to distinctive and original live action and animated fiction film across a range of genres, approaches and perspectives.
2. The BFI’s Production Fund is available for new and established filmmakers. Priority is given to projects and filmmaking teams that demonstrate a bold vision and creative excellence, and that are unlikely to be fully financed by the marketplace. Funding is also available for documentary filmmaking and for completion of films.

3. The BFI's Audience Fund can provide funding towards the release and distribution of specialised films (from any national origin) that are difficult to market with the aim of widening the choice of films available to UK audiences.
4. Access to funding is by way of a formal application process only. All eligible applications are assessed against criteria set out in guidelines for applicants and aid is not automatically granted.

Incentive effect

5. All aid recipients must demonstrate that aid is required for projects to proceed by submitting a written online application before commencing project activity. The application will contain at a minimum the following information:
 - a. Name of applicant;
 - b. Description of project;
 - c. Location of the project;
 - d. List of project costs;
 - e. Form of and amount of public funding needed for the project.

Form of aid

6. If funding is granted, the BFI issues an offer of funding which sets out terms and conditions attaching to the funding. In order to ensure that the aid provided is the minimum amount necessary to achieve the cultural objective, funding is provided by way of a recoupable grant in compliance with Article 5 of the GBER. This means that:
 - a. In the case of development funding, the whole sum advanced to the development of the film is repaid to the BFI no later than commencement of filming (unless the film is low-budget and BFI agrees to defer repayment to a recoupment position – see b. below);
 - b. In the case of production funding, the BFI requires commercial repayment terms and a profit participation share commensurate with its participation in the production funding in relation to other investors and consistent with customary practices in the private sector. This means that it takes a recoupment position in relation to any gross revenues accrued from any commercial exploitation of the film;
 - c. In the case of distribution funding, if box office or sales income from exhibition of the film being supported resulting in commercial gain to the applicant, the BFI requires a proportionate share of such income to be paid to BFI.

All income received by BFI by way of recoupment of the grant is made available as new awards through BFI's National Lottery schemes.

7. In order to help create a sustainable film production sector, a portion of recouped funding is allocated to those filmmakers who have made the film and are responsible for repayment of those sums. Such filmmakers are entitled to submit a new application to the BFI to spend those recouped funding on (i) further and new film project development; (ii) new film production funding (such new projects to be subject to the same eligibility criteria as above) or (iii) staff skills training.

Compliance with Article 54 of GBER

8. The aid being provided through the above initiatives supports the script-writing, development, production, distribution and promotion of audiovisual works.
9. The cultural product requiring development or production support must be capable of qualification for certification as British film through the UK's cultural test (Schedule 1 to the Films Act 1985 as amended) or as an official co-production through the European Convention on Cinematographic Co-production or a bi-lateral co-production treaty. Aid may also be given to the distribution of films within the UK from any nationality (provided the film falls within the specialised film definition and are therefore difficult to market).
10. The funding given takes the form of:
 - (a) Aid to the production of audiovisual works through BFI support for feature film production, documentary film production or completion funding;
 - (b) Pre-production aid through BFI support for development of films; or
 - (c) Distribution aid through BFI support to film distributors for nationally significant proposals with cultural ambition where the funded activity will grow priority audiences, offer greater choice for audience.
11. There are no explicit territorial spending obligations attached to the funding being offered. There are implicit territorial conditions within the UK Cultural Test but the territorial linking does not exceed 80% of the production budget.
12. The aid intensity for production and distribution funding will not exceed 50% of the eligible costs except (in accordance with paragraph 7 of Article 54) in relation to eligible co-productions or difficult audiovisual works using the UK's approved definition. The aid intensity for development (pre-production) funding cannot exceed 100% of the eligible costs and if such a project is made into an audio-visual work including a film then those development costs are incorporated into the overall budget and taken into account when calculating aid intensity.
13. A mechanism is in place as part of the assessment process to ensure that cumulation of aid does not exceed the maximum allowable aid intensities of the Scheme. Due diligence checks will be carried out during the awarding process. Aid provided under this Scheme will not be cumulated with other forms of aid nor with aid classed as *de minimis* aid in regard to the same eligible costs if the result would breach the applicable aid intensities. Aid will also not be given to companies in difficulty.
14. The aid given is not reserved for specific production activities or individual parts of the production value chain or allocated to film studio infrastructures.
15. Aid is not reserved exclusively for nationals and beneficiaries are not required to have the status of undertaking established under national commercial law. Applications for funding can be made by companies registered or centrally managed in the European Union or European Economic Area.

Monitoring and Reporting requirements

16. Records of awards made will be kept for 10 years from the date of the last award of aid under the Scheme. Records will be sufficiently detailed to establish that the conditions of the Scheme are met.
17. All awards are published on the BFI website at:
<https://www.bfi.org.uk/film-industry/funding-awards>.
18. Details of any award (or multiple awards to a single project) exceeding €500,000 given under this Scheme will be made publicly available via a State aid website within 6 months of granting.
19. The BFI, through the Department for Digital, Culture, Media & Sport, will provide the European Commission with all information and documentation the Commission considers necessary to monitor the application of the GBER within 20 days of such request from the Commission.