

Culture, Media and Sport Committee

Oral evidence: British film and high-end television, HC 157

Wednesday 21 February 2024

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Members present: Dame Caroline Dinenage (Chair); Steve Brine; Clive Efford; Julie Elliott; Damian Green; Simon Jupp; John Nicolson; Alex Sobel; Giles Watling.

Questions 80-192

Witnesses

[I](#): James Hawes, Director and Vice-Chair, Directors UK.

[II](#): Rebecca O'Brien, Producer, Sixteen Films.

[III](#): Ollie Madden, Director, Film 4, and Eva Yates, Director, BBC Film.

Examination of Witness

Witness: James Hawes.

- Q80 **Chair:** Welcome to the meeting of the Culture, Media and Sports Committee. Today, we are focusing on independent production, as we continue our inquiry into British film and high-end TV. Before we begin, do any Members have any interests to declare? No.

We are delighted to hear today from James Hawes, director of “Slow Horses” and the recent brilliant film, “One Life”. He is also the vice-chair of Directors UK, and has just wrapped his latest film. We are really grateful that you could find the time to speak to us today, James. I will kick off the questions. After many years of working in TV, you recently directed your first feature film; that is a journey that a lot of people would like to make. Will you describe to us how it happened?

James Hawes: Slowly. Part of that has been about the power of television recently, and of high-end TV particularly. It has been a great place to innovate, to create and to play. It is something, as we will touch on, that this country is very good at.

People have the dream and ambition to move into film. It is difficult. It is hugely competitive, more money is at stake, and making that leap is traditionally difficult. With respect to some of those behind me, there has also been a certain sniffiness towards people from television, historically—much less so more recently. High-end TV has enabled that move. You tend to be working with far glossier cast, a more grown-up cast, and the bigger ambition and budgets in television give producers confidence that you can probably make that step to the big screen with less risk.

- Q81 **Chair:** As we begin to take evidence for this inquiry, the theme that is coming through is that while there is huge investment from overseas in our production facilities, in some cases it is about the struggles of British independent film. Can you talk to us at all about that?

James Hawes: Yes, to some extent. Again, “One Life” was my first film and my first indie film. It is doing incredibly well at the box office—it is, in indie film terms, a popular hit, competing with “Belfast” and “The Banshees of Inisherin” over the past few years, certainly post pandemic—but even setting that up was a struggle. During pre-production, there were times when it was uncertain, and certainly without the help of people like BBC Film it would not have come about.

What is that about? “One Life” is at the higher level of indie films in terms of budget—pushing towards £15 million, which is a figure that has been talked about. That is because it was set in two time periods; it involved kids and trains; and we had a fairly glossy cast, who need looking after and have costs that come with them. Ambition tends to come at a price, and meeting that ambition and convincing people that this was a film that would sell beyond its Britishness is a key factor.

- Q82 **Chair:** On getting the film made in the first place, if you were to have

made that film 10 years ago, would it have been easier or harder?

James Hawes: I am going to defer on that, because I am new to film; you should ask that question of some of the people who are coming up later.

Q83 **Chair:** Given that there is now a segue between high-end TV—or TV in general, but in particular high-end TV—and filmmaking that did not exist so much many years ago, what skills did you learn along the way that prepared you to be able to go into filmmaking now?

James Hawes: I think it is about ambition and scale as much as anything else. I will speak again about the quality of the technical and creative skills we have in this country; this Committee is well versed in that, but it is really special. There was a point in the 2010s when the BBC and particularly Channel 4 to some extent, were making films, at that point for BBC 4—single movies. I did one about Enid Blyton; there was one about the Chatterley affair and one about Kenneth Williams, and they really punched above their weight. For the first time, big screen cast were being attracted to the small screen in a way that had not happened for a while, and that divide between TV and film began to be bridged. That was a key moment.

There were then some big television series, not necessarily all here—“House of Cards” was one, “Game of Thrones” another—that proved that in these islands we could make big, ambitious television with scale and huge scope and to accommodate bigger budgets. The set-up, the number of people you would have on set in a day, grew exponentially, and you could start to imagine bigger stories. You could start to be really quite wild in your imagining of the possibility of where you could take something. Previously, you were very much in a room looking in, and suddenly you could go outside in a way that was not the case before; and could think more internationally in terms of the types of stories you would tell.

Q84 **Chair:** With regard to that international viewpoint, to what extent would you say that that influx of international investment has impacted on your career?

James Hawes: In various ways, and we must be careful to look at all of these. There is obviously a considerable benefit to that inward investment. It has built, nurtured and grown the industry and the people around it. It has built the production companies and made us a place that is really respected for high-end TV and film. There are downsides, because that has inflated costs, and domestic production is therefore finding it harder to compete for some of the best practitioners. It has been very busy out there, but not right now, which is something we should talk about, because frankly this Committee could not be sitting at a more critical time for our industry.

It has given North America, to whom we must look, confidence in what we are doing. It is really intriguing. When “Slow Horses” was first pitched, it had trouble getting going. I know that See-Saw Films will not mind me saying that it looked first for a home at some of the UK broadcasters and

was not picked up. When Apple picked it up, they wondered whether it was just too quirky and British and whether it would travel, even though we obviously have a reputation for the spy genre. The attachment of Gary Oldman and its subsequent success show that even quirky British can travel, and it is now the longest running repeated series on Apple.

High-end TV has come here, found a home and found success. That has built our profile internationally and hugely. It has shown that we can think beyond British parochial or that we can turn smaller British stories into ones that have an outward glance and universal themes. That is really important. We must be aware of the critical balance between the benefits of inward investment and having our own domestic industry.

Chair: That is what we hope to help with.

Q85 **Julie Elliott:** Good morning, James. What influences your decisions about where to shoot your TV series and films? Is it entirely driven by the storytelling, or do costs, availability of staff or ease of working play a part in your decision?

James Hawes: They all play a huge part in my decisions and production decisions. Let us look at various examples here, but the film I have just finished is an American studio film. When I came on board, they were still looking at the possibility of filming it in Georgia, in Budapest, in Romania. Tax break was key, as well as what sort of locations we need and can offer, the body of technical crew available and the general working environment. What will it feel like? How smoothly can we run the logistics? You know that the logistics of running any film or television show are considerable, and the bigger it is, the more complicated they are.

There are sometimes downsides here. I have worked in production hubs in Prague, Budapest and Cape Town; I am recently back from Marseille and Istanbul. On "Slow Horses", I was frustrated at times when permissions would not be granted for film locations. Some film offices are far more welcoming and enabling than others. That is not seen generally, and London is an especially film-friendly city.

There is an example recently in Marseille where we had a problem with a heritage building. Marseille has recently been earmarked—by the President, no less—as somewhere that film could be built as an industry. The message goes down to local government there that, if there are any issues with the production, send it to the President's office. Now, I do not suppose it crossed his desk and he read the details, but that message getting out there is enormously empowering for regional production. It makes it a better home for internationals, who then turn up and go, "Okay, we know we have a good chance of achieving what we want to." So it is a mix of all of those, but obviously creative comes first.

Q86 **Julie Elliott:** You have partially answered this, but what does the UK do well as a filming location compared with overseas locations? Are there any areas we could improve to maintain competitiveness?



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James Hawes: The tax break is key—absolutely fundamental. One of the conversations with the producers recently was, “What is the tax break in different countries? How is changing and shifting? How is it cash flowed?” “What is the cost of money going to be to us?”—that is another element, along with “What above-the-line post costs are going to be there for us?” Again, I would ask you to talk to a producer about that rather than me; these are things that I have picked up in corridors, but I know that is critical to their positioning.

What do we do well? Our technical and creative crews are really good—everything from make-up and costume through to the grips and electrics, we have those. We have a great tradition of those; we have to maintain it, but that is there. It is something you can bank on to the extent that, when I have worked with some international DOPs on other jobs, they have flown out gaffers or grips to take away with them, because we have the best.

We should also talk about the front of camera, especially for North America. We have brilliant, recognisable, English-speaking on-screen talent. It is at home, they are happy to be at home, and often they want to work here. That is enormous for our industry.

Q87 **Julie Elliott:** Finally, how does the experience of shooting differ depending on where in the country you are? I am talking about the UK here. What would help to get more production shooting beyond the south-east of England?

James Hawes: Mostly, it is about logistics. Again, without wanting to tell you what you already know well, there are logistics involved in moving a production of sometimes 200 or 300 people to Cornwall, where I come from. There is the transport, the accommodation and the need to move them from wherever they are staying to the hotels. A producer once said to me, “James, it doesn’t matter whether you shoot fast, quick, well or badly; I am still counting £50 notes at the same pace, all day, every day.” We plan for efficiency and for maximum creative time. That is absolutely a feature.

Of course, having some studios or hubs is useful, although whether you can always sustain a hub is a question. We have some fantastic centres. If I look to Glasgow, where I have worked, because that was once and is still a mini-BBC, the culture and the blend of production facilities are there to enable a production to feel comfortable. That helps. Logistics are great. Local film officers who are proactive and will enable are really important. I hope that answers your question to some extent.

Q88 **Alex Sobel:** I have one question. We are coming up to the Budget on 6 March. You talked about tax credits, but if you were in the lift with the Chancellor and wanted to ask him what contribution the Budget could make to the film industry, what would you ask?

James Hawes: It has to be about tax credits—tiered tax credits, which are the mix that enables high-end television and film, as well as British domestic film, to punch its weight in the way that we have done. I have



recently been talking to some of the people who enabled “One Life”, for instance, and it has punched above its weight. I saw your January session in which you talked about “Barbenheimer”, and what that began to do to cinemas. Even in the last six weeks—the beginning of this year—there is a sense that we are getting close to pre-pandemic levels. If you look at the films that have recently been out—not only international films but British films—any one of several could have won that BAFTA the other night. It was a pretty strong line-up. We need to ensure that those voices are still being heard. The support of the indie film sector is about our culture and finding a way to express Britishness to tell stories to ourselves, which is something I feel is going to be harder and harder to do as AI becomes more of a thing—I would love to touch on AI at some point.

It is about the pipeline. We touched on how I got to do what I do, but the path I trod has gone now. The landscape has disappeared, so independent film is important as a development ground for ideas, for talent on both sides of the camera, and for trumpeting British culture. We are essentially storytellers, and telling stories to ourselves is huge. I think the biggest practical thing has got to be down to those incentives.

Chair: Thank you very much. We are going to come to AI, but first of all, Damian has some questions.

Q89 **Damian Green:** I will restrain myself on AI and talk about the strikes, which clearly had a huge effect last year. Are they still having a lingering effect?

James Hawes: Huge. Let me relate some personal experience there as well. On 14 July, we were six weeks into this American film that was shooting here, and we were shut down for four and half or nearly five months. Not a penny was spent in the meantime, which was a decision made by the studio. Not even any editing was allowed—nothing. Everybody was sent home. The vast majority of my crew did not work during that period. I hear figures of 75% of the industry out of work during that period.

You may be aware of a news piece from Bectu over the weekend, which was repeated in an RTS speech in the last couple of days, partly about the legacy of that. It has been the double whammy, the perfect storm, of the pandemic and then the strikes. I think that tells us something about reliance on inward investment at the moment, and that there was not enough equity-based or domestically funded work to sustain the industry in between.

The knock-ons are huge. I am sitting in an edit suite in Soho at the moment, and there are a lot of people saying, “When’s the next job coming?” There is an uptick here, and this is a vibrant industry but we go through these phases. This is an industry that is going to be in demand in the future, and it is one we are very good at, but we need to build in resilience and we need that resilience to be domestic.

Q90 **Damian Green:** I am going to come on to resilience in a second, but



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what has happened? You say that 75% of the industry was basically out of work for six months. Have people left the industry?

James Hawes: Some have, especially the juniors, which is of course a worry at a time when we are trying to recruit more in. I cannot pretend that it has been anything other than rough for a lot of those people. They are freelancers for the most part, so there is nowhere to fall back on.

Q91 **Damian Green:** So they have literally gone off?

James Hawes: Some are literally going off. There are electricians who can go and be electricians, and make-up teams that do get other jobs, but they will come back if they can.

Q92 **Damian Green:** Do you think they want to work?

James Hawes: Yes, they want to work. When it is working, it is fabulous and thrilling. We are all nutty enough to want to do it. We will push through, but we have been hit by a couple of big side-blows.

Q93 **Damian Green:** You talk about resilience, but you are an industry that is by and large made up of freelancers, whether you are in front of or behind the camera—everyone. It is the original gig economy. How do you make that kind of system more resilient?

James Hawes: Above all, by variety. I think, individually, I have made a resilient career by zig-zagging as I go. This takes us into another area, but I think it is about the PSBs being as active as they possibly can. The other thing we have going on is obviously a huge shift in the streaming and terrestrial marketplaces. It is about being clear that we are not utterly reliant on inward investment and that we are making programmes for our own market as well.

It is also about helping those freelancers. I am not suggesting we suddenly provide income for them in the downtime, but if I look at France, Ireland or South Korea—nations that we know for managing to sell their culture successfully abroad—they all have systems for supporting creatives who have proven themselves in the industry in periods when they are between jobs. One of the ways to do that here is to protect IP actively for all the rights holders—for the creative authors—and that we have that there. For me, it has been critical that it is part of my R&D fund and it is bridging the gaps when I am holding out for a better job or waiting in between just any job. So part of that is to protect IP so that people, individuals and smaller companies, have some sort of bank to fall back on.

Q94 **Damian Green:** you say “protect IP”, do you mean legislating to protect IP or just somehow altering the terms of trade, particularly with the streamers?

James Hawes: Both. For terms of trade, particularly with the streamers, currently it is a buy-out, and not just for income but our access to the success of our programmes. That is what it is about: ensuring that if we make a programme that sells well around the world, we benefit from part of that. The streamers offer buy-outs. That is something that, for instance,

Directors UK is actively talking about at the moment and looking for difference there. That is how we support our creatives. That is how we support the authors.

Let me give you an example. I set up a family show on the BBC called "Merlin". I got to play with dragons and it was rather wonderful. What I was initially offered was not what I or my agents felt was suitable for where I should be. We managed to do a contract with the production company that offered me 5% of net international. I do not think anybody thought it was going to be terribly much. That show ran for five seasons. I still thank "Merlin" and the dragon regularly because that has helped me make some brave decisions and spend some of my own money developing ideas ever since. I think that is vital. That is a model.

Q95 Chair: It is almost like the repeat fees in the 1970s and 1980s. My dad was permanently popping up on "It'll Be Alright on the Night".

James Hawes: Exactly that. Not necessarily contractual, but as part of the deal with the streamers.

Chair: Thank you. We now come to Ryan Gosling's body double.

Q96 John Nicolson: I pop up on some of these as well and they are always excruciating, but the repeat fees are very nice.

Thank you for joining us. It is interesting when you talk about moving from television to the movies. I think of all the talented directors who work in other fields of television. My background is news and current affairs, and I think of some of the producers and directors that I worked with on "Panorama", for example, and "Assignment", who were just incredibly talented film makers, making complicated subjects accessible in news and current affairs. So many of them should have moved into film making, but there was a prejudice, wasn't there?

James Hawes: Yes, but many did. My second ever job was in news and current affairs at Lime Grove on "That's Life!"

John Nicolson: That is where I started, at Lime Grove.

James Hawes: People forget that was part of news and current affairs, but there we were. It is important to talk about that route, which is something the public broadcasters gave us. Paul Greengrass, Charles Sturridge, Susanna White and many others came from that broadcast experience. Think of "Mr Bates vs The Post Office", directed by James Strong. He started making news inserts at HTV. Directors who have hit shows currently on Netflix began within Channel 4, as part of the staff there making short films—again, I use the term "storytellers". It teaches the discipline of how to tell a story to a deadline.

Q97 John Nicolson: You had to do it on a very tight budget. I remember sometimes when I worked on "Newsnight" and they would say, "It is 5 o'clock, cancel your plans. You have to have the film ready for half past 10," and we would have to do a hot switch. We would still be editing the second half of the film as the first half was being broadcast. It was



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terrifying. I worked with Ken Loach's son on "Watchdog" and with many others who were really talented—but that is not what I want to talk to you about. I want to talk about AI, which is post my time in television, but I have been following it very closely. You said, "I hope we get to talk about AI," so let me ask a very obvious and general question. How do you anticipate that AI will affect film making as we go forward? I know that actors in particular are terrified about the long-term effects on their profession. Where do you see things going?

James Hawes: If you had asked me that a week ago, I would have given you perhaps a more tempered answer, but I saw something on Thursday that makes me think the changes are coming dramatically and very, very soon.

John Nicolson: What was that?

James Hawes: Can I come to that in a moment as a way of holding my dramatic reveal?

John Nicolson: So this is a trailer.

James Hawes: This is a trailer. We at Directors UK held a forum not long ago about "Doctors", the BBC show that has been cancelled. The concern was that such a vital training ground for many, many people coming through has gone. One of the members started talking about AI and it sent me investigating how long it would be before a show like "Doctors" could be made entirely by generative AI.

I took a poll with various VFX people, and it has shortened. I also spoke to some of the legal team who advised SAG and the Writers Guild over the summer, ahead of coming here. The best guess is that in between three and five years' time, somebody will be able to say, "Create me a scene in an ER room where a doctor comes in. He's having an affair with a woman, so they're flirting and somebody's dying on the table," and it will start to create it. You will build that, and it will be generative AI. It might not be as polished as we have been used to, but that is how close we are getting. I found that hard to believe, for all the creatives involved, but I believe the genie is out of the bottle and we have to live with this. I think it also is incredibly enabling. All parts of storytelling—British storytelling—can be fuelled and enabled by this, but we have to protect the rights holders now. We have to protect those whose copyright is being scraped and scoured to form some of these things.

Last Thursday something hit the internet called "Sora". It is by a company called OpenAI in Silicon Valley. The expert I was talking to said to me, "I thought this might happen in 18 months to two years, and suddenly it's here." Again, it is text-generative, so somebody just types or speaks into a machine, "Give me a scene of a woman in Tokyo walking along a rainy street," and it produces it. It is not library footage assembled; it is digitally produced. It is not live action perfect, but it is pretty damn close. There is a dragon festival, and it is hard to tell whether it is real or not. That is

happening now, so protections need to be in place now. We need to be meeting regularly and actively and angrily defending our creatives.

- Q98 **John Nicolson:** Are we being luddite? Is this inevitable? Might we lament its passing in the same way we might lament letter writing as a form of communication, but it is inevitable?

James Hawes: I think it is inevitable. I don't think we can be luddite or afford to be. I think we have to embrace it, harness it and learn what it can do for us. I imagine—colleagues behind me might feel differently—that there will be a twin-track evolution. I think there will continue to be humans telling stories and I think humans must be at the heart of telling these stories. AI will need people to guide it, drive it and help shape those stories. It will be a story-telling tool. We will be able to create the rainy streets of Tokyo in a way that we could not before.

- Q99 **John Nicolson:** Why would a film company choose to use expensive actors in the future when they could make just as much money using AI?

James Hawes: Because for the foreseeable future human things still happen. Let me give you an example from "One Life" that I mentioned at a screening and seemed to strike a chord. We were on the set with Anthony Hopkins. He loves being on set—he sits on an apple box on the edge of set; he's not one of those who disappear to the Winnebago. There was a grand piano on the set. It had nothing to do with the story particularly, but he's a showman and he sat down, lifted the cover to the keys and started playing beautifully. A lot of grips and electricians will always remember that day, and took their stories home. He was surrounded by the mess of his character's life in that moment. The character was due to do a scene where he came to the dresser to take a drink, in a moment at the end of Act 2 when he was depressed and down. I saw an opportunity and we had Anthony, as Nicholas Winton, playing the piano worked into the scene—because of something he did, something I saw.

AI is not going to predict that. It is not going to invent that. It has not yet got the human soul, the human experience. That is why I think there will be twin tracks for a long time to come and we will choose. Somebody was very reductive in their description of it: they said it's like mechanically recovered meat and organic burgers. We need labelling to understand some of these things and we will eventually make our choices. There will probably be cost differentials, but I tell you what: we in this country need to be grasping what it is now. We are behind at the moment. We need to be talking to some of those brilliant people in Soho. We need directors to be getting trained and enabled to understand it. We need writers and other creatives to be doing similarly. And that's something that you guys can help with.

- Q100 **John Nicolson:** As a vegetarian, I hope we move beyond that to burgers that don't involve any animal suffering. It must have been incredible for you, having started out in Lime Grove with "That's Life!", to end up making a film about the life of Sir Nicholas Winton, who of course—



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famously—was revealed on a “That’s Life!” episode.

James Hawes: And I am now proud to be a member of the That’s Lifers WhatsApp group, which Esther has allowed me back on to.

John Nicolson: Why? You say she’s allowed you back on it. Had you blotted your copybook?

James Hawes: No, but I was there only briefly and I’m told I was a dreadful researcher, but have become a better director—thank you, Esther.

Q101 **Chair:** I want to pick up on something that you said about skills and training. How do we ensure that our production and our directors have the skills and training that they need to be able to adjust to this new world, and what can the Government do to help?

James Hawes: Several things. I am going to talk again about indie film, low-budget film, because that is such a test bed. There is no set pathway—there wasn’t when I began; there is even less so now—but making small films, moving to the first indie film, being allowed to do a second film and maybe moving sideways into high-end television, is absolutely a route and it is one we need to make sure is fluid and protected.

We need to help with all kinds of training and to make apprenticeships work within a freelance structure. Many do not, because the nature of this business is freelance, and a lot of apprenticeships try to put people into permanent jobs that do not exist. I think that is key.

We need to support the industry and its structure as it is. There are a lot of brilliant organisations, like the BFI, Directors UK, Bectu, BAFTA and the BBC, and they all have training schemes. We need to make sure those are nurtured. We also need to make sure the PSBs are doing as much as they can to have destinations for the people they train. Obviously, there is a worry about cutting shows like “Doctors”. They have to be cut for budget reasons and for reasons of shifting audience preferences, but we have lost “Doctors”, “Holby City”, half of “Casualty”—many of the shows that people used to go from, the soaps, as they worked their way up to be somebody as fortunate as I am. I really worry about where we are going to train our directors now. Some joined-up thinking needs to be done to look at the whole ecosystem.

Q102 **Alex Sobel:** Looking at television for a moment, we now have a lot of platforms, a lot of channels, a lot of streaming services—all content hungry, all vying for income and all with budgetary pressures, which you have spoken about. With what you are saying now about AI, are we almost at the point where a producer can get a group of writers who can write a script and feed it into the AI—they don’t need a director, actors, grips or a studio—and then they can put it on a platform and they have a brand-new show? Is that the soon-to-be realised future?

James Hawes: Not yet, and I don’t think they will get rid of all those people; they will need all those creatives. If we look at the American



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model, it has been very firmly said that we need a director and a writer at the heart of those shows. We need those creative storytellers, and we need people to own IP—only a human can own the IP. It is about harnessing the technology and understanding it. Elon Musk said that we should wait six months and that everybody would take a pause and work out how fast AI was developing. People rather laughed at him because they realised not everybody would, but—daring to double-guess Elon Musk—I think he was expressing a recognition of how fast things are evolving. We need to understand that and protect our industry by harnessing it and being part of it.

Q103 Alex Sobel: Do you think we need regulation or do we need to wait to see how it pans out before we regulate?

James Hawes: I think we do, to at very least protect the rights holders now. There is IP being scoured and pirated right now, and we need to be protecting it. Obviously, we need to be working with the AI developers, but that needs to be an active and energetic conversation respecting the rights and businesses of both sides, and with a firm view on what the end product is, including telling British stories. My worry is that if we do not get up there doing that, the AI-generated stories will be coming from elsewhere. We need to have our AI classy storytellers here as well.

Chair: Giles, do you want to come in on that point?

Q104 Giles Watling: Yes, I have a very short point if I may. I apologise for my lateness in arrival, but I was talking to the Chancellor about film production—it is a good excuse and I'll stick to it. I just wanted to ask, are we not being slightly alarmist about AI? I know your background is in theatre, as indeed is mine and probably a lot of other people in the room too. AI will not impinge too much on that incredible feeder stream for the high end, apart from perhaps the development of scripts. As you point out, AI is not, and never will be, sentient.

James Hawes: I think that is crucial. I think of people such as Charlie Brooker, who tried commissioning ChatGPT to write an episode of "Black Mirror", and it seemed like the right script to try. His language was less than flattering about what came back to him, although it was broadly, structurally there. I have to tell the Committee that before coming in, I asked ChatGPT to come up with the questions you might ask me, and so far it is scoring pretty high. *[Laughter.]* Sorry, that was directly challenging you! If you think of Abba Voyage at the moment, that is an example of intelligent AI putting the original performers on stage in front of you, in the moment.

Q105 Giles Watling: That is a challenge.

James Hawes: Of course it is, and I completely agree with you that we have a way to go, but it is amazing what is happening now. I would be the first to argue that the human soul is everything, and the ability to tell stories is part of what defines us as humans. We should cherish that and nurture it for a long time to come.



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Q106 **Giles Watling:** But I would argue that the creative magic comes out of interpersonal relationships when put on a stage or another environment. Even on a film set, you are just looking at each other—

James Hawes: As I just described with Sir Anthony. I think that will be there, but I have also listened to all these people telling me over the last couple of weeks that we have got so few years before a version of this will be out there on screens, and some consumers will be happy with that version.

Q107 **Giles Watling:** I go back to my original question. Are we not being too alarmist about this?

James Hawes: If I am being alarmist to that degree, I hope it is not too alarmist. If I make a call to action and say that in this country we need to be taking note, acting on it now and learning it faster, I think that is measured.

Q108 **Chair:** To your knowledge, which countries are taking the right steps on this?

James Hawes: In terms of development, the United States—with Silicon Valley—is way ahead. What is currently happening there with the unions, straight off the back of the strikes, is looking at the protections. For instance, the DGA has an ongoing conversation with the studios, sitting down every few months and seeing where it is now and what needs to be changed in the drafting. A lot of this will come down to the drafting of the agreements—how we protect an actor's performance.

To go back to the previous question, in Soho now I could hire a company that could come into my cutting room, and I could say, "The performance of this actor is a bit grim. Can you cheer them up a little bit for me?" They could manipulate the face and voice to such a degree that you would not know it was changed. That is there—that is an element of AI. Again, that could be protected in contract. Those sorts of things need to be in place.

Q109 **Steve Brine:** Who will win the best director Oscar? Did ChatGPT predict that one?

James Hawes: No.

Q110 **Steve Brine:** Excellent.

James Hawes: I have a fair idea, but that would be inappropriate insider dealing.

Q111 **Chair:** Before I get to Simon, who has been waiting so patiently, who should be driving the sorts of changes here that you are seeing in the States? Whose responsibility is it?

James Hawes: It has to be a combination of industry stakeholders and Government. We've got to team up. I know that the BFI, for example, has a working committee on many of these things, and they have things in training at the moment. That is something we all have to join together on. That is how big I think this is.



Chair: Last but not least, Simon.

Q112 **Simon Jupp:** We have seen a big debate over the future of public service broadcasting in the last couple of years. Anecdotally—it might be because, although I am not that old, I feel old when I look at the media, the way it has changed and the way programmes are commissioned—I do not see as many original dramas or comedies coming out of public service broadcasting anymore. That might be just my interpretation and what I view, and my tastes may have changed and so on. Have you seen a commissioning momentum change away from public service broadcasting towards, for example, the big streamers? If you have, what has that been like, and what is the impact?

James Hawes: Yes, there has been a considerable change. A lot of that is funding-driven. We should talk again about “Mr Bates vs The Post Office”, a programme that very nearly did not happen, as you probably know—that is quite publicly talked about. The reason that very nearly did not happen was because it was thought too British and parochial. It was not a project that could be co-funded; it was not a project they thought was going to sell. Now, more than 20 million viewers have watched it in this country. That is perhaps a demonstration of what you are asking for—if you can produce that sort of content that chimes with people, there is a market for it, but it costs. That cost because it had a particularly large cast—no other reason than that. There were so many people. It cost more than ITV Studios would normally pay for that kind of show without knowing—and this should be a conversation with the studios—that they could sell it to help recoup and offset.

Q113 **Simon Jupp:** Does that change the confidence in the industry? Looking at that programme in isolation, does that not prove that it can be done, and offer some hope?

James Hawes: It absolutely does. There are limited slots because there is limited budget and because drama is expensive. I wish we were still doing more. I wish that BBC Four was still doing all those single dramas that would get an audience of 1 or 2 million, but they cost more than could be justified for the audience that they drew. I would ask that we look at it in terms of its cultural offering, as I know the BBC does, and its training value. That is what I mean by looking at the whole system and the whole environment. There is a feeling now—I read something just over the weekend—that there is an uptick in commissioning coming back again. We have had a strange, slightly constipated process over the last couple of years: out of the pandemic into a storm of commissioning to catch up, then a little lull, and the strikes, and a recession. It has been very uneven. We should not be put off by that. It will come back. We should be ready for it coming back.

Q114 **Simon Jupp:** Going back to your overall point, “Mr Bates vs The Post Office”, which was brilliant, was described as parochial, or distinctly British, and perhaps a bit inward-looking—no negativity from my point of view, but that is the sort of phrase you used. Do you think British directors are being hamstrung by not being able to tell distinctly British

stories?

James Hawes: I think “hamstrung” is too strong. The market is commercial. It is looking for audiences and for the need to co-produce. Russell T. Davies said something about the Post Office that was very interesting. In the end, why did we watch it? It was not because we are all wannabe postmasters, but because it was about the little man against the machine. It was the David and Goliath idea of, “We think the system is against us.” It is about finding those stories with those universal themes. To some extent, with limited slots in the domestic market, it is far harder to tell the stories that we would like to tell. Things, even with talent attached, that seem absolute slam dunks get turned down because we don’t think they will travel—we will not get the deficit funding.

Q115 **Simon Jupp:** Did those questions come up on ChatGPT, by the way?

James Hawes: Yes.

Q116 **Chair:** Damn it, Simon! James, thank you so much for giving us your time today. It has been a great pleasure to see you. Were there any other messages that ChatGPT did not provide that you want to add?

James Hawes: I am going to regret that now, aren’t I? No, we have touched on the three things. I perhaps spent too much time on AI. I absolutely believe that the deficits are crucial, and that finding a way to foster directors and to enable them is key. I would want to be part of whatever we can do to enable that.

Giles Watling: Of which IP is vital.

James Hawes: Of which IP is absolutely critical, because it is part of what keeps us going. It is our R&D fund.

Chair: If you have any other comments or thoughts after the event, please feel free to share them with us. We are really grateful for your time today. Thank you.

Examination of Witness

Witness: Rebecca O’Brien.

Q117 **Chair:** I warmly welcome our second witness, producer Rebecca O’Brien, who over the past three decades has been behind so many of Britain’s most successful independent film works, alongside leading directors including Lynne Ramsay and Ken Loach. Rebecca, thank you so much for joining us today.

Rebecca O’Brien: Thanks for having me.

Chair: Have you looked up our questions on ChatGPT as well?

Rebecca O’Brien: No, I haven’t. I am way behind James, I am afraid.

Chair: Thank goodness for that.

I would like to carry on from where we were a moment ago, talking about



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the power of British stories. We have just heard about “Mr Bates vs The Post Office” and the global appetite for distinctly British stories. How do we make British independent films commercial hits, and build audiences for them across the world, without giant Hollywood marketing budgets?

Rebecca O’Brien: That is a very leading question. Variety is definitely the key, because you don’t know what is going to be a success. When we made “I, Daniel Blake”, for instance, we didn’t know that it would be successful in Japan. We thought we were making a little film set in the north-east that was telling a story about how things are for certain parts of the community in our land. We had no idea. We wanted to make it because we thought it was an important story to tell. We have always had support from European partners to make our films; they have supported whatever story we wanted to tell.

For it to make economic sense to make our films, we need to sell globally. When we went to Cannes with the film, we did sell to Japan. We have our regular distributors around the world who take our films, but Norio Hatano, our Japanese regular distributor, was saying, “This story is about us as well. It resonates not just with your people but with us.” So you never know what story might work. Another example is “Mr Bean”, which worked globally. You do not know until you have done it, which is why we need to do the R&D to get stories up and running—to have a variety open to us.

Q118 **Chair:** One of the first bits of evidence we heard was from Gurinder Chadha, who said to us that it is actually quite difficult to get independent films widely distributed into British cinemas. Is that something you have seen? She was advocating earmarking space in our cinemas for British independent films—having a best of British screen in the same way you might have a best of British aisle in a supermarket. How do you feel about that?

Rebecca O’Brien: Yes, it is an idea. All sorts of ideas should be tried. I think that one of our problems is the fact that we speak English and that we are making films in the English language, so we are not seen as specifically British—we merge seamlessly into films in the English language from wherever. That can be an advantage and a disadvantage. During the pandemic, it was a disadvantage. In France and Germany, for example, cinemas did really well with local produce. Indigenous films were successful, and they were able to get them out. They were able to make indigenous films during the pandemic—and during the strikes, interestingly—whereas, because we are so reliant on our friends across the Atlantic, it was much more difficult for us.

It is a strange badge, because people also think of British films as being historical dramas, stories from our colonial past, a lightweight Working Title-type story, or whatever. There are lots of different sorts of British films. Having said that, if you look at the range of different films that were up for the outstanding British film BAFTA the other day, the diversity is incredible.



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I would be delighted to see a dedicated screen for British film in cinemas, but I am not sure it is the answer. It might encourage people to go. It is great to see films from all parts of the world and not just from Hollywood. Again, this year has been incredible for international films, as we have seen with "Anatomy of a Fall", "Zone of Interest" and some fantastic films from around the world. The more global stories we see, the more we can see that they are things we want to watch.

Q119 Chair: That sort of global partnership is also increasing, isn't it? Someone said that at the BAFTAs on Saturday night, "Zone of Interest" won as best film in a foreign language and as best British film, which seems to be a contradiction. How difficult is it, in your experience, for independent producers to get their films widely distributed in British cinemas? Is that different from the rest of the world?

Rebecca O'Brien: It is about production values. If you make a low-budget film, you cannot expect to have huge distribution. You have production values and big stars in the bigger films; independents cannot necessarily afford to do that. Actually, there is a market failure there, because, while inward investment has been incredibly successful for this country, it has also taken away a lot of our talent—it has hoovered it up—and we have to keep on running behind, picking up new talent and inventing new talent to fill the gap, which we are very happy to do, but a lower-budget film cannot afford to have big British stars, because they are probably all scheduled within an inch of their lives working on Hollywood films at Pinewood. That is a problem, but we are happy to work with new actors and to find and discover people. One of the wonderful things about my job as a British producer is working with new talent and finding people.

Chair: Which you have done well at.

Q120 Damian Green: Is it getting harder to raise finance for the films you make?

Rebecca O'Brien: Yes. I am in the middle of making a film called "Harvest", based on a best-selling book, a British story by an author called Jim Crace. I have had to go and scour Europe to get the funding for the film; we made it during the pandemic and were unable to raise money from the US. It stars an ensemble of British and one American actor—new talent. It is set in a medieval village at some point in the past, and it is about a week in the life of this community. Strangers arrive, and things go horribly wrong. That is the story. The film is a UK-French-German-Greek-US co-production, with little bits of money patchworked together from all those different countries from their public funds, pre-sales and little tax credits here and there. We have agreed a director. We filmed it all in Scotland. We had Creative Scotland and BBC Film on board. We had the tax credit. We had lots and lots of funding to be able to do it at all, and remarkably we have done it. We have had private investors as well, so we have done the whole range. It is absolutely exhausting to put something like that together. If we had an enhanced tax credit, for instance, I would not have had to defer my fee, and we would be in a position in which we

could now finish the film in confidence. However, it has been a real struggle, just because we have not quite got enough money to do it.

- Q121 **Damian Green:** You anticipate what I was going on to. Given that you would like more money available from various public purses—we will take that as a given—how would you change the structure of the way we support film in this country in a way that would help a small or even medium-sized indie film?

Rebecca O'Brien: It is a difficult one to know the answer to. British producers are very adept at getting money from all sorts of places. Incentives for investors are important for them to understand how important the R&D value of the industry is. Luckily, Brexit has not changed the fact that we can still do co-productions in Europe. Keeping the possibilities open to be able to work with partners all over the world is important, because when you work with international partners you are opening up the possibility for sales in those countries, and sales equals both money going into your films and audiences.

There should be incentives for us not to always look across the Atlantic; that is a blinkered approach. Within the UK, it is difficult, because sales have dropped. There is market failure, because the streamers came in, the high-end TV got higher end and Hollywood arrived. They took a lot of our investors away. The public service broadcasters have been really vital for us, but they do not have enough money to support people all the time. BFI is concentrating on new filmmakers, which is important. Public service broadcasters have very limited funds to put in, and any independent film needs to have one of them to be able to kick off funding. Support for them is very important for us. Some additional fiscal support for this particular sector is essential; we could really die without it, actually.

- Q122 **Damian Green:** Gurinder Chadha said that she would like to see an uplift for films under £15 million to hit that. I assume that you—

Rebecca O'Brien: Yes. Pretty much all independent British films are under £15 million. Clearly, there are films below £1 million; quite a lot of first-time films are made under that level. However, to get production values that will survive cinema audiences and then have decent lives with streamers and TV companies, you need to have certain production values that raise the budget. We call in favours all the time as well, and our crews and cast are more expensive because of the market failure that I talked about. We are not seeking to make huge, expensive-budget films: we are seeking to tell stories of our own people and things. You can do that on a relatively low budget. I would like to do that, and I would like to continue doing that. I like doing smaller projects, because you know everybody, and it is great to see people then evolve into better filmmakers and crew themselves.

- Q123 **Damian Green:** From what you say, it seems that the irony, which we have all appreciated, is that the fact that we have all these craft skills and all the things people celebrate means that we attract a lot of big—often American—money, and that often drives up costs. That means that



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making small indie UK films is more difficult at that end. It is not so much a question of the money coming in, but rather how much you have to spend to do the same amount of work.

Rebecca O'Brien: Budget inflation is definitely an issue for the independent sector. We cannot afford to pay what the streamers and inward-investment people can pay to their actors and crew. We are scrambling around and perhaps promoting people too soon, so someone who is an assistant art director becomes a production designer too quickly. You need to have time to evolve your career and have experience doing different sorts of things as you make your way up the production ladder. We could support that by making, as James was saying, the apprenticeships thing work better for freelancers. That would enable people to stay longer in the independent nursery slopes.

Q124 **Giles Watling:** I am interested in the multifarious ways you raise money and the people you attract. What interests me—because I have some limited experience in this world—is private investors. Are they harder to get hold of? Do they do it because of their passion for the project, or are they looking for good returns?

Rebecca O'Brien: Well, they are private investors—they are looking for good returns. Of course they are interested in the project. I am working with a private investor on "Harvest", and without them I would not be doing it, but the cost of their money is very high. The cost of their money would easily enable me to finish the film. It is a huge cost. Probably 10% of the budget is money costs.

I really appreciate that they are taking this risk and putting their money where their mouth is, but they will get their money back first. The director, myself and other producers have all had to take big deferrals in our fees, and we will not see that until way after all the financiers have properly recouped. I am not sure if there is any other industry where the CEO or COO would be paid a third of what they are budgeted for.

Q125 **Giles Watling:** Precisely. Is there a larger or a shrinking pool of private investors?

Rebecca O'Brien: I think that private investors are interested, but it is such a risk business. Maybe only one in 10 films is really successful and brings a big return. Our films tend to break even because we have a market all over Europe and we sell around the world.

Giles Watling: And you pre-sell.

Rebecca O'Brien: We pre-sell and we sell around the world. But those sales have got smaller in recent years because of the market, so that is another bit. But the—what was I trying to tell you?

Q126 **Giles Watling:** I have no idea, but I can help you by asking this: what can Government do to help private investors invest in film?

Rebecca O'Brien: Show confidence in the independent sector by supporting us with an increased tax credit—that would be really good. If I



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had had an additional 15% going into the market, it would have given me more confidence. It would give me the confidence to say, "Look, I've got 40% or 45% of the budget. You're only going to have to come up with 10%. I can sell this here in Europe." It gives me broad shoulders. It makes me a force to be reckoned with. It makes me less subservient to the money. It makes me more confident with my projects and ideas and allows me to say, "I've got this great idea. Look—this is how we can fund it," rather than bringing on this incredible embroidered carpet full of different patches. I think a higher incentive for producers would bring private investment more happily to the table, because they are taking less of a risk and we are taking more of a risk. I think that is how it works.

Q127 Simon Jupp: Do you think it has become harder to get public funders to put money into distinctly political content—films, television and so on?

Rebecca O'Brien: I don't think so. I think they have less money, which is not helpful. The films I have done with Ken Loach have been publicly funded—partly publicly funded and partly privately funded. In fact, our best territory is France. For the last 15 years, we have had incredible support from a French production company that we co-produce with and a French sales company, because people in France for some reason—I don't understand why—really like our films. It's great.

We definitely could not have survived without the support of public service broadcasters for definitely, intrinsically political films. They are not looking at it as political; they are looking at it as good film-making and looking at the talent behind it. You will need to ask Ollie and Eva, but they are looking to make good stories, strong stories, that people in this country can actually see themselves reflected in. It is like what Sam Morton was saying when she won her BAFTA fellowship at the weekend: she wants to see stories and films where her own life is reflected. People want to see themselves on the screen. That is the key to finding audiences—you show people themselves and show them that their lives matter. That is the key.

Q128 Simon Jupp: We know it costs a lot of money to put together a film, for example, but before we get to that stage, there is script development. That also takes time, effort and money. Is it harder at that really early stage to get funding?

Rebecca O'Brien: Yes, it is very difficult. We did—this is a Brexit moan—have the media fund from Brussels that gave us slate funding. We lost that, and I had had that two or three times, which gave me a chunk of money—about £150,000—to develop five screenplays. It was fantastic seed money. I would love to have that again, to have a public fund I could get that seed money from. Public service broadcasters do give us that, and the BFI does as well, but it is a much more competitive field. I think actual slate funding is a really great thing to get.

The BFI instituted this thing called the locked box where, if they had invested in a film—say they invested £500,000—and the film starts to recoup its money, they put half in a pot and give that money to the film-makers as an advance against any profit the film-makers might make at



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the end. That money can only be spent on developmental production, so we have used that money—the locked box money—to develop further films, and that has been a very valuable thing. But it is expensive because out of five films you develop, you might only be able to get one to the screen, so development of screenplays is key to being able to have decent films.

Q129 Simon Jupp: I am going to be really cheeky now. We are hearing from BBC Film and Film4 next. What would you ask of them? What would you say to them?

Rebecca O'Brien: I would just say, "Keep supporting us in the way that you have." I am completely indebted to both. My career from the beginning happened because of Film4. I grew up in the early days of Film on Four. I worked on "My Beautiful Laundrette" and all the early Working Title stuff. That is where I cut my teeth. It was a fantastic innovation of David Rose, who ran it first. It happened because films that were strictly independent films were being made as single TV dramas. Film4 took those and took the talent who were making them, and put them on the big screen and made them into exhibitable cinema films. That was a great moment. I cut my teeth on that, going into making cinema from there.

So I am indebted to those PSBs because of what they gave me, but also, they do seek out, very specifically, innovative or original British talent and they are working hard to get our films—independent films—made. Just keep up the good work!

Simon Jupp: Very diplomatic. Thank you.

Q130 Alex Sobel: We will come on to Brexit and Europe in a moment, so I want you to answer this question not in that context. Are policymakers undervaluing the potential for co-productions, and what would you like the Government to do to make them easier?

Rebecca O'Brien: Co-productions are still possible in Europe because they come under the treaty of Rome, so we are actually still able to do these complex five to 10-way co-productions. Every film I have done in the last 25 years has been a European co-production. So that is possible.

There are other things that could provide support. We could rejoin Eurimages, which is a pan-European fund that supports European film. There are things that we could do, but they are almost additional to our search for independent support through the tax relief system, because I think that is something to focus on.

There are lots of things that could be done that could help to support co-production, of course. The main difference is that we have to do carnets now. We have to get visas. We actually lost quite a lot of money on "The Old Oak", our latest film, because our leading actress wasn't able to get a visa. We took a gamble; we pushed it to two weeks, but we lost £50,000 as a result of her not having a visa. So there are difficulties there that could be smoothed out.



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Co-production is really important. It gives you more territories to sell to. It broadens the market for our films, because every co-production you do also comes with a pre-sale, usually. On "Harvest", I have got Greek co-production, Greek public money, Greek private money and Greek tax credit, so I am cutting the film there. In France, I have TV, which matches with German TV, so I have got a funny thing going on there—I have got both of them. It is good stuff, but we need to be open to it.

- Q131 **Alex Sobel:** Some of the things you mentioned there—visas and carnets—are the same issues that other creatives, like touring musicians, are experiencing, so maybe there is something that the Government could do there across the creative industries, because obviously it is one of our major income earners and export industries.

Rebecca O'Brien: Yes, absolutely. We get 20 visas a year that we can use and you have really got to be careful about running out of visas. If you are doing a co-production and getting money from those countries to support your film, you need to be able to do a bit of to-ing and fro-ing.

- Q132 **Alex Sobel:** Okay. Maybe this question is more Brexit-related. Has the withdrawal from Creative Europe been fully compensated for by other initiatives—by UK initiatives to UK film?

Rebecca O'Brien: No.

- Q133 **Alex Sobel:** Okay. And is the UK focusing too much on US investment to the loss of European opportunities?

Rebecca O'Brien: Yes. A lot of us independents do work with Europe more. I do think we look across the Atlantic too hopefully. But on the other hand, it is important to have our American partners, because if I have made a European film, the key way in which I can make my money back is selling it for a stonking amount to the Americans. That is what I want to do. It is a sort of symbiotic process.

- Q134 **Alex Sobel:** Would you say the barriers to co-production are higher with the US or with European partners?

Rebecca O'Brien: With the US, I would say. They do not have public money, whereas there are lots of little pockets of public money in Europe. I am chatting up a Turkish TV station at the moment—I am that desperate. I am very happy to work with the Turks, but it's like, "Really? Am I doing that to close the funding on my film at the moment?"

Chair: I call our own north-eastern superstar, Julie.

- Q135 **Julie Elliott:** Good morning, Rebecca. I want to ask a question about the north-east of England. "The Old Oak", "Sorry We Missed You" and "I, Daniel Blake" were all set in the north-east of England. How important was North East Screen, which is based in my constituency in Sunderland, in informing your decision to shoot there?

Rebecca O'Brien: I would not say it was a reason why we set the films there at all. I think it is good to have a strong regional body that supports film, and most regions do—like Creative Scotland. I was on the board of

South West Screen when that was going. They are important because they open doors for you.

It was not the reason we chose to make the films there. We chose to make the films there because in the north-east we found a sort of microcosm of our country. In Newcastle, Sunderland and Durham, we found a world in which it was very easy to get around. There is an accent that is rather beautiful, and there are also some very beautiful locations. We found it was a really great pocket world in which we could make our films.

The thing I love about filming on location in somewhere like the north-east is that it is really easy to get around. There are great places, people are keen to help and support, locations are easy to get, and people are happy to have a film there, unlike in London, where it is sometimes really difficult. People do not charge too much. It is a really warm, friendly place to work.

The other thing that is really important about filming in different regions is that, when people understand that you are making a film in their area, and when you listen to their voices and portray people from those areas, they take a cultural ownership of the film. The film becomes a north-east film. We have had so much incredible support from local TV people and all the local agencies, including North East Screen. They gave us access to trainees, local authorities and all that stuff—opening doors. That is important. It was not because of them that we were there, but their help has been absolutely invaluable to the project's inception and creation.

Q136 Julie Elliott: I suppose that you have started to answer this, but for which, if any, elements of the production process do you struggle to find facilities or workforces outside of London?

Rebecca O'Brien: It is difficult to find skilled film technicians. You can get trainees. You can get assistants. You usually have to bring in heads of department, although, again, in the north-east we have been lucky enough to have a terrific costume designer who worked her way up in TV and things, Jo Slater, who worked on all three of the films. We had an assistant director from there. We have also had people who worked their way up during the course of our making those three films; they started off on a lower level and are now in more senior positions. So we actually had our own little factory going.

It is great to see Scotland, for instance, having a wing of the National Film and Television School there. It is important that people understand that you can cross over quite easily from film to TV. I think those are definitely transferable skills. But we did have to bring people up quite a lot—more than I would have liked. You look for people, and we certainly cast local people because we want the common voice; that's really important. But you cannot always get a focus puller. Luckily, our sound recordist now lives there. He has moved in.

Q137 Julie Elliott: What difference would an uplift to audio-visual expenditure



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credit for productions made outside the south-east make to determining where you shoot a film? Would it help?

Rebecca O'Brien: It would help. Everything I have done, pretty much—I mean, I think I have done two films in London in the last 25 or 30 years—has been in the regions, or in Scotland or Ireland. There are no regional funds that can really support with proper capital into the film, apart from Creative Scotland and a fund in Wales. Creative Scotland has been a real support for me on my latest project, for instance. Local funds and local regions can support, but they don't actually put money in, so if you have value added from additional film tax relief, you can definitely feel more confident about setting the film in the place where it should be set. All our films are location films, so we are always, wherever we go, creating a set out of the landscape or local buildings or whatever. I don't know whether I have answered your question.

Julie Elliott: Thank you very much. I am pleased you enjoyed your visits to the north-east.

Rebecca O'Brien: Well, we went back twice.

Chair: From even further north—John.

Q138 **John Nicolson:** Yes, from as far north as it is possible to go—Scotland. Thank you very much for joining us. I noticed you mentioned Creative Scotland a few times. It is good to hear that they have been so helpful. Can you tell us in practical terms what they have done that has been so helpful?

Rebecca O'Brien: Sixteen Films made two films in Scotland last year. One is "Harvest", which we shot near Oban, round the back—in the most stunning landscape you can ever imagine—and the other is a more urban film called "On Falling", which we produced.

"On Falling" is by a first-time film maker—a Portuguese Edinburgh resident and brilliant short film maker called Laura Carrera. Creative Scotland saw her, helped her with her short films, and nurtured the script that then became the film that we have made. Jack at Sixteen Films and Laura have been able to develop their project with Creative Scotland. That has been huge. Then Creative Scotland came on board as co-producers; I got a Scottish producer on board to help me with "Harvest", because we were going to shoot the whole thing in Oban, and they then came on board with some additional funding to support "Harvest".

Creative Scotland did another great thing. They have specialist film supporters in each area, so we had the Argyll and Bute woman who helped us to find hotels and locations, and with on-the-ground support, like helping us to find potential trainees. That film uses a lot of craft and a lot of local musicians. We got deeply involved in the community in "Harvest", and they helped us open those doors—helping with accommodation and helping us find the tools we needed. They pointed us in the direct direction of the Scottish Scything Festival, where we learned how to scythe for our harvest—all those sort of things.

John Nicolson: That's how I spend most of my holidays, actually.

Rebecca O'Brien: Well, it's in your constituency—the Scottish Scything Festival.

Q139 **John Nicolson:** Now I'm embarrassed. I should have known that! That's all great to hear. Tell me—what about the Scottish Government? Are they helpful? I know that they are well disposed. I know that Angus Robertson, a former MP and now the Culture Secretary, is passionate about film.

Rebecca O'Brien: In a way, I have not needed direct support from them because I have had Scottish Screen, or Creative Scotland—it never quite knows which it is, but that is my only criticism. It has been incredibly supportive, as it were, from the top down and the bottom up. It has just been a good egg as far as we are concerned.

Q140 **John Nicolson:** A recurring theme throughout all of this is the difficulty in raising funds. I was very struck by the couple of times that you mentioned how much you have lost in the chaotic aftermath of Brexit. At one point, you said that Brexit had lost you £150,000.

Rebecca O'Brien: Yes, if I had gone back to Creative Media, I think I would have been able to get another slate of five films up and running. I would have been able to apply for development money for my next slate. I am a recognised producer in Europe because our films have done very well throughout Europe, so I could go to them and get that funding.

Q141 **John Nicolson:** Of course, the UK Government promised that nobody would lose out.

Rebecca O'Brien: We have had funding from Creative Scotland, but only for that one project. We have had funding from BBC Film, and we have had funding from BFI through our lockbox, which I explained.

Q142 **John Nicolson:** Sure, but at a UK level, who has replaced the lost European money, as you were promised?

Rebecca O'Brien: I haven't seen it yet. Creative England could be the source for that. I am not sure what it has in terms of development money available.

Q143 **John Nicolson:** I saw some of my colleagues shaking their heads in horrified disbelief when you said that one of your stars in your latest film was not able to get a visa.

Rebecca O'Brien: That was partly to do with Ukraine, actually. This was for "The Old Oak" and she was from the Golan Heights.

John Nicolson: Which is Syrian territory, occupied by the Israelis.

Rebecca O'Brien: Exactly. She has a laissez-passer, so it did not matter where she was from. The fast track that we would have normally been able to use was completely closed down because of Ukraine visas becoming the priority. I think this was May 2022. We did get the visa, but



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I needed to pull a few strings. Funnily enough, it was the Mayor of Tyneside who pulled out some stops for us.

Q144 **John Nicolson:** You said you lost £50,000 in the process.

Rebecca O'Brien: Yes, because we had to stop the film and stop pre-production. We had to push the film by two weeks, and we were already very close to production.

John Nicolson: Because of chaos in the Home Office.

Rebecca O'Brien: Because of chaos, and we just had to shut down for two weeks.

Q145 **John Nicolson:** Dreadful. Apart from that, that was some inspiring testimony and you have done wonderful work over many years. You mentioned "My Beautiful Laundrette", which I think was inspiring for a generation of gay kids, because it was people talking to us at a time when it was pretty grim out there.

Rebecca O'Brien: My job was finding the locations on that, so I found the laundrette.

John Nicolson: There is a laundrette in Finnieston in Glasgow that I think took its inspiration from that. They have created a very beautiful laundrette which looks very much like that set. Anyway, thank you very much.

Q146 **Clive Efford:** Thank you for coming to give evidence today. Ken Loach has said that "The Old Oak" might be his last film. Is he unique or are there other Ken Loaches out there? If there are not, how do we find them?

Rebecca O'Brien: Ken is unique—there is only one Ken Loach. He has spanned 60 years.

Q147 **Clive Efford:** The way he makes his films is what I am driving at.

Rebecca O'Brien: Yes, actually. He largely learned his game from watching Czech and Italian new wave film makers who put the people centre stage. He films at a very human level. There is no low angle or high angle—everything is on a level. The camera stands back and gently observes, rather than crashing in. It is a very specific style, and there is nobody else who really can do it. We also never show the script to people before we film. We tell them who they are, but they don't know what will happen. We have always filmed in sequence so people never know what is going to happen to them in the story. It is a unique way of telling stories.

I have to say that it is not just Ken; it is also Paul Laverty, who has written most of the screenplays that Ken has done—certainly in the second half of his career. Those stories are intrinsically about contemporary human life and issues we all encounter. Showing people themselves on the screen is what we have been trying to do.

Q148 **Clive Efford:** I appreciate how long he has been around. I went to school



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with children from the workhouse—Newington Lodge—where he filmed “Cathy Come Home”. My friend’s younger siblings and mum were extras in that film, so I have known his work from childhood. Perhaps it is setting the bar too high to ask, “Where is the next Ken Loach coming from?”, but where do we get the next independent film making talent?

Rebecca O’Brien: There is lots of talent, and we have good film schools. As James was saying, the nursery slopes, where people train in television programmes—they do a lot of TV very fast—give them really good experience of working with actors. Working in the theatre is really important. They should not go straight into independent film. People need to learn their craft. Short films are the other way.

There are plenty of people who want to do it, and there are plenty of short films being made for nothing or with small amounts of support from the public funders. Those are the nursery slopes. There are film schools, including the National Film and Television School and the London Film School, that really support the people coming through, but actually getting hard graft experience on telly, doing soaps or whatever, is where you have your apprenticeship. My own apprenticeship was two years working on a multicultural kids’ TV series—commission No. 3 at Channel 4—with Michael Rosen. That was like making lots and lots of little films about kids, around the country. That was my grounding. To have that apprenticeship was fantastic. That was in telly, and it was really valuable in terms of learning how to do all the bits and pieces that you need to do as a producer.

There isn’t another Ken Loach, but there are some amazing film makers. We are seeing some fantastic people come through.

Q149 **Clive Efford:** He is famous for taking people who have no background in acting and putting them in front of a camera. Does that make the films lower budget and easier to fund?

Rebecca O’Brien: Well, we have discovered a few people. Martin Compston is one of those people we put in front of a camera, but we had to pay him to come to the audition. We paid him a fiver because he wasn’t interested; he just wanted to play football. Martin Compston has had a big television career, having been in “Sweet Sixteen”.

Q150 **Clive Efford:** You were talking earlier about having to take local people and train them up. Does that mean that you are a good route into the industry?

Rebecca O’Brien: You still pay the Equity minimum, or a proper Equity wage. The lead actors, even if they haven’t done it before, are still actors and still get paid properly for doing the role. They might not get paid the same as Benedict Cumberbatch or Tom Hiddleston, but they get properly paid for doing their job.

Q151 **Clive Efford:** You mention Benedict Cumberbatch, who is an outstanding actor, but there has been a lot about the ease with which people from certain backgrounds can get into things like acting. Is it the same behind the camera? Is there a class barrier there?

Rebecca O'Brien: I think there are real efforts to get people from all walks of life behind the camera.

Q152 **Clive Efford:** Does it work?

Rebecca O'Brien: There is always this thing of people getting into the industry because they know somebody and all the rest of it. They are only any good if they are any good. They don't last long if they aren't any good. There are all sorts of schemes. Creative Skillset, for instance, puts a lot of effort into making pathways for people to come into the industry. I do things like speaking in schools. People need to find out about the industry and find out that directing or camera is not the only job. There is a myriad of different, wonderful jobs that you can discover. Creative Skillset is finding paths, but the more that that is done regionally the better, the more routes in. People from the middle of nowhere are often the most exciting people to work with because they bring their excitement and are not jaded by a system. They just want to work and they discover the industry.

Q153 **Clive Efford:** To break down those barriers behind the camera so that people can get into the industry, is there anything not being done that you think should be done?

Rebecca O'Brien: I think that we are missing out on stuff in the curriculum. Some of our films have been on the curriculum, but drama and the creative arts are very important in the curriculum for people to understand how these things are made, and that they cannot just be made by one phone. You do need a team to make things. It starts quite young. There is that wonderful experience—this was mine—of people wheeling out the screen in school and showing you a film like “Kes” or “Bambi” or whatever. There is that amazing moment of seeing something on a big screen with an audience and feeling that you are a part of that audience. That is exciting. For children to learn that you can do that and be part of that is a very exciting thing. I loved getting into film in that way because I loved watching the big screen.

Clive Efford: It is very sad if there will be no more Ken Loach films.

Q154 **Chair:** Rebecca, thank you for your time today. Do you have any other messages for our Committee?

Rebecca O'Brien: The obvious one, really. The film tax relief has been a great success. Expanding it to make it work for the very flawed independent sector that I am part of would be a really good move.

Chair: Fantastic. Thank you.

Examination of Witnesses

Witnesses: Ollie Madden and Eva Yates.

Chair: Our final panel today is Eva Yates, Director of BBC Film, and Ollie Madden, Director of Film 4, whose silverware cupboard is a little fuller today after the weekend's BAFTA ceremony. A huge welcome to both of

you. Thank you for your time today. John is going to start the questions.

Q155 John Nicolson: Thank you both for joining us. There is quite a lot of concern about Channel 4 and the proportion of programming that is made in Scotland. Ofcom has specific rules for the level of production that there should be outwith England, and it does not appear to be the percentage that you would expect for the population. How concerned are you about that?

Ollie Madden: The channel's commitment to production in the nations and regions is significant.

Q156 John Nicolson: I am not talking about the regions of England; I am talking about Scotland.

Ollie Madden: And Scotland. Film 4 specifically has had great experience of making films in Scotland recently with films like "Limbo", and we are about to make another film called "Midwinter Break" in Scotland. That is very important to us at Film 4.

Q157 John Nicolson: You would none the less expect a higher proportion to be made outwith England in consideration of percentages and the population of Scotland. I think a lot of people in Scotland feel a bit short-changed about that.

Ollie Madden: As I say, we look to tell stories across the UK, and it is very important to us that we are telling stories that are not London-centric and that represent the UK as a whole. That is something we will continue to do and we will continue to look for diversity in geography, points of view and cultures.

Q158 John Nicolson: That does not address my point about percentages. My understanding is that you only get 9% production outwith England at the moment. Is that correct?

Ollie Madden: Can you clarify that? Are you talking about Channel 4's content spend?

Q159 John Nicolson: Yes. I am making a direct contrast with BBC Film, which has a 16% out-of-England quota. I know Channel 4 is very proud of its diversity, but when you look at the at the figures, to see that BBC Film is making so much more than Channel 4 is quite surprising.

Ollie Madden: We have spent £35 million outside London in the last five years, which is a significant amount. That is obviously our spend, and there is a huge amount of spillover spend.

Q160 John Nicolson: In percentage terms, why is it so much less than the BBC?

Ollie Madden: It is difficult to comment. As I say, it is a hugely important thing to us to spend our money—

Q161 John Nicolson: You don't really have an answer to this, do you?



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Ollie Madden: In percentage terms, I would need to come back to the Committee on those numbers.

Q162 **John Nicolson:** I am giving you the figures. That is a very significant difference. As my granny would have said, it's a fine bird, the puddock. It is great to say that you have this wonderful commitment but, when you actually boil down the figures and see the huge gap between the BBC and Channel 4, it is significant.

Ollie Madden: As I say, we are committed to spending as much money as possible outside London. We are always looking for—

Q163 **John Nicolson:** I know—you have said that. Eva Yates, the BBC is obviously doing better than Channel 4. What tips do you think the BBC can give Channel 4 on how to get its percentages up?

Eva Yates: I do not want us to be pitted against each other in this particular moment. There have been a few factors behind the work that we have done in Scotland recently. "Aftersun" had a huge impact on what it looks like for Scotland to be making independent film. It has given a lot of people the feeling that they could make something similar. It really worked well globally. It was a Scottish talent, it was a Scottish story and it came at a moment when the leading actor was at a peak point in his career. It has given a lot of people the incentive to be ambitious about what they are making. We have a very close partnership with Screen Scotland, and we have partnered with them a lot on projects. We have developed a lot that we have taken to them and, equally, they have developed projects that they have brought to us. We have been working to build the relationship between BBC Film, BBC Scotland and BBC Alba. We did quite a lot of work at the Edinburgh film festival. I am Scottish, just to add to that, in case you cannot hear it in my voice.

John Nicolson: I can hear it.

Eva Yates: We have done a bit of work with them to try to build closer relationships and to work out how we can address what is happening.

Q164 **John Nicolson:** It is interesting that you mentioned BBC Alba, because this Committee is about to launch an investigation into minority languages in these islands; of course, Gaelic is one of the languages that we are looking at. BBC Alba has had a significant effect, hasn't it, on Gaelic and putting Gaelic voices on screen so that people realise that it is a vibrant living language. Before I hand back to the Chair, what do you think is the significance and importance of film to the survival of languages—and, looking ahead to our next report, especially vulnerable languages such as Gaelic?

Eva Yates: I think film is very important, as is television. Actually, the work that is being done in television generates more consistent content in terms of the scale of what is being made. It is fantastic that there is work happening there. The conversation we are having with BBC Alba now around Gaelic-language films is an interesting one. We are looking at how and what needs to be put in place for that to happen. What we tried to do



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at Edinburgh last year was to bring together talent that was working with BBC Scotland, BBC Alba and BBC Film so we could start to see the ways in which those different sections within the filmmaking community in Scotland could interact a bit more—so people who might be working in the Gaelic language in TV could start moving towards working in film. Also, how do you find the right idea? A film like “The Quiet Girl” has been brilliant for the Irish language and making people believe that there is a market out there for non-English-language or native-language films that could be successful. It is about finding the right project and the right way to do it because we want to make sure that we are making things of as high a quality as possible and also reflecting the right stories and how we do that.

Q165 **Chair:** I do not know whether you have seen the evidence that Gurinder Chadha gave when she appeared before our Committee, but one of the things she said was that Film4’s founder, David Rose, had this vision that had effectively defined a new era for British film. Can you both set out what your vision is for the future of British film and how you see us being able to tackle the decline of British film at the box office?

Eva Yates: In terms of vision, I think you are all aware of this, but we at BBC Film are developing and co-financing projects. There is a department in the BBC that is acquiring things, so we are specifically the making arm of the film work done at the BBC. We sit within the content division at the BBC. We have £11 million a year to spend, so we have a very modest budget for what we try to achieve. We make about 15 films a year with that money and we also make short films, but we do that always in partnership with other people.

We do not have the financial ability to solely finance anything that we do, so the partnership model is crucial and part of why I am very glad to be in this room having this conversation with you all and being able to address how big some of these issues are. What I really hope we can get to is—the word has already been used today—a better place of resilience. At the moment, we have an incredibly successful inward investment sector. That sector has become vital in terms of its economic value, it is incredibly valuable in terms of the workforce and it is generating a lot of content. However, at the other end of the industry, there is not a lot of funding. There are a lot of people—very talented people—who are leaving the industry.

There is a lot of brilliant new talent coming through, and that has been a big priority for us and for Film4 in recent years, as is how we keep that talent here, making their stories here and telling British stories, rather than telling British stories that they shoot in other countries or telling American stories. That is something that we want to ensure, because it feels like there is a break in the pipeline. How can we make this become something that is beneficial for everybody, looking after that indigenous part of the industry? That is the biggest thing we hope for in these conversations.



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Ollie Madden: I concur. British film has an incredible history and lineage and, in fact, this year we are seeing some incredible British films, some of which we have backed and many others, from “The Zone of Interest” to “All of Us Strangers” to obviously “Oppenheimer”. However, as Eva has said, the huge growth in the inward investment industry, which is great for the UK and great for the industry, has had some side effects and one of those is an increase in production costs and difficulty getting cinema screens for independent film. When these independent films can be made, they can reach huge audiences globally, so we are really focused on removing the barriers to those films being made.

Q166 **Chair:** Talk me through your budgets and the number of films that you are able to back, and how that has changed over the last decade. Ollie?

Ollie Madden: Over the last nine or so years, our annual budget has been around £25 million. We co-finance, because like BBC Film we always partner with other financiers, between eight and 12 films on average each year.

Q167 **Chair:** Eva, what is your figure?

Eva Yates: We have a budget of £11 million, which is inclusive of overhead. We use that across development and production and that has not increased in a decade.

Chair: So your figures have stayed the same, but obviously costs have—

Eva Yates: Grossly inflated.

Chair: By what sort of proportion, would you say?

Eva Yates: Five or six years ago, you could make a debut for £1.2 million. Now I think all of them are costing £3 million.

Q168 **Chair:** What difference does that make? Does that mean you co-finance with a lesser amount to the same number of films, or that you co-finance fewer films?

Eva Yates: I guess what we try to do is leverage our involvement by finding a greater number outside the building. On average, across all of our films, it tends to work out that we bring in £6 for every £1 that we spend. If we spend £11 million a year, the slate that we make in that year might be £60 million or £70 million in total, in terms of all of those budgets.

Q169 **Chair:** Is that the same for you, Ollie? Your figure has stayed at roughly £25 million.

Ollie Madden: Ours has been flat, so yes—the proportional value that we are able to support and offer has gone down, and that has had an impact. As Eva says, the cost of making first-time features, particularly, has shot up, so we are able to make fewer than we would like to. We make a minimum of four every year, but we would like to make more. It has become harder finding private money—commercial money—to make first-

time features because they are very risky. That is an issue that we recognise.

Q170 **Chair:** You will have heard the evidence we have had already today and the excellent question that Alex asked James at the top of the session about, if he had the opportunity to speak to the Chancellor ahead of the Budget in a couple of weeks' time, what he would ask for to be different. Would additional tax relief for lower budget films make a difference?

Ollie Madden: I think it would make a huge difference. What we are seeing, in very blunt terms, is that there is a gap or differential between the cost of making these films and the perceived value in the marketplace. There is something like a 15% gap, particularly for films under £15 million, which is the budget that we tend to work exclusively in. That would mean the difference between films happening or not.

There are a couple of other points I want to raise on that—there is the difference when producers and production companies are able to earn a fair fee for their work and do not have to defer their fees, allowing them to build much more sustainable businesses. Too often you see producers having to defer so much of their fees that it is unsustainable and they struggle to make their next film, or even do not stay in the industry because it is too hard to build a business.

The second point I want to raise is about IP, which I know you have heard about. I am sure the Committee is aware of the presale market. Producers often presale the rights to their films in order to get them made. That can have many benefits, but one of the downsides is if you presale at a lower level than you might be able to sell the film at if you had made it and proved its value. One of the ways that independent film can be commercially successful is by holding back the rights to films, particularly in North America, which is one of the biggest markets, and the difference in that tax credit relief would allow more producers to hold back the North American rights to their films in particular, and then see greater upside and more value to their IP once a film is made.

Q171 **Chair:** Eva, did you have anything to add to that?

Eva Yates: No, I have the same message. I think the tax credit could have a transformative effect. We are at the point where we are at risk of losing a huge number of really talented people from the industry. There is both an immediacy to that as a possible solution and an opportunity to bring some confidence back into an industry that has really been battered over the last few years between the strikes, the effects of covid and the massive changes to the structure of the marketplace. The work that has been done by PACT and BFI, and the report presented to you all already about how that work might be framed, have had a huge amount of thought and input, so we are very aligned with that report on both the bracketing of the budget presented and the ways in which it might be implemented. That feels like a good, immediate way to address in the immediate term an industry that also needs to think about its sustainability and resilience in the longer term.



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Q172 **Chair:** In this longest-ever elevator journey with the Chancellor that we are all taking at the moment, would that be your key ask?

Eva Yates: I think that is the primary ask across the industry. I think the industry is pretty aligned on that being the most immediate, high-impact thing that could be done.

Q173 **Chair:** As independent producers have found it harder to raise other sources of finance, how has their ask of you changed in this environment?

Eva Yates: They ask for more money from us. They ask for us to sit in a different position around the recoupment, so it is much harder for us to bring anything back in. The amount of resource that it takes to support them through that process is different. I now go to film festivals and spend the whole time meeting other financiers so that I can try to bring those introductions into the British industry and to those independent producers; I do not get to watch films any more. It is completely different, but our job at the BBC really is to sit side by side with those producers and find every way that we can both to support them to grow their businesses and to help them to make the best films possible and meet what we want, which is to provide great work for our audiences, represent Britishness, think about the cultural value of the stories we tell and do the best with what we have.

Q174 **Chair:** Do you have anything to add to that, Ollie?

Ollie Madden: I concur.

Q175 **Julie Elliott:** What would be the impact of bringing BBC Film and Film 4's output under the made outside London quotas on the amount of production taking place beyond the south-east? Would there be an impact?

Eva Yates: It is such a huge priority for the BBC and for us at BBC Film. Rebecca has already talked about "The Old Oak". We also made a film called "Blue Jean" up in the north-east over the last few years, which has had an incredible impact culturally. That film ended up being set in that place and telling that story because it was authentic to the experiences of the people the film talked about, so the motivation was the desire to tell the stories of everyone in this country. That was really motivating for us, because obviously we want to represent everyone who pays the licence fee. I don't know if you have more to add, Ollie.

Ollie Madden: When we are looking for stories and storytellers we want to back, we are always looking for authenticity in the storytelling. It starts with that and specificity. Our position is that it is better to do that and ensure that we support and back diverse voices, cultures and points of view in stories and then think about how to tell them authentically and shoot them in a place that represents them authentically, rather than a quota-driven system where you are thinking about that before the storytelling.

Q176 **Julie Elliott:** Am I right in taking from those answers that you do not



think that it would make a difference?

Eva Yates: Anything that encourages people to do these things is good and should be explored. We also work with partners, so it may incentivise partners in a way that is really positive. For the BBC there is such a priority around this work anyway. The BBC as a whole makes 58% outside London, and in drama it makes 70% outside London, so an enormous amount of work is happening there already. Some of these questions must go hand in hand with how we think about skills, new talent and all these other things so that we are addressing that things are at capacity and that sort of thing as well.

Q177 **Julie Elliott:** Would an uplift to audio-visual expenditure credit—that is such a mouthful to say—for productions made outside the south-east of England make a difference to where you film?

Eva Yates: It is worth exploring, because it is incentivising. For the BBC I don't think it would have an impact, because we are so focused on it, but it is the same answer: it could have quite a lot of impact for the broader industry.

Ollie Madden: I agree. We are open to anything that would help us with our shared aim of shooting as much as we can across the UK.

Q178 **Julie Elliott:** Should streaming platforms face the same obligations as public sector broadcasters to make a certain amount of content outside London?

Eva Yates: I am not sure it is for us to dictate what the streamers do, but we should all collectively incentivise and make sure that we address some of these big questions and the impacts across the UK.

Ollie Madden: We are open to anything that helps support the independent film sector, in particular, across the UK.

Q179 **Julie Elliott:** So you would not be opposed to it.

Ollie Madden: Absolutely not, no.

Q180 **Simon Jupp:** What more could be done to make the BBC, Channel 4 and other broadcasters screen more independent films?

Eva Yates: Screen more? We have an £11 million budget that has not changed in 10 years, so I think that what we are doing with the money we have is already a lot. If you hear the numbers that we are trying to leverage in order to get some of these films made, we are working pretty hard with what we can do already. We have an acquisition department which works extensively to bring as much as it can on to iPlayer. We have a substantial offering of British and global films on iPlayer, which are all now there for a year once they have screened on BBC. So there is an awful lot—

Q181 **Simon Jupp:** So you are asking Tim Davie to give you more money basically.



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Eva Yates: We would be delighted to have more money, but we are also looking at how in the past 10 years, in real terms, the BBC's budget overall has gone down by 30%. I understand that there are some incredibly difficult decisions to be made on what we do and don't spend money on.

Ollie Madden: Film on Channel 4, both on our streaming platform and our linear channel, is incredibly important, and British film is incredibly important. About a fifth of the films on our platform are British, most of which are Film4 productions. Our priority is making sure we back as many brilliant films as we can, which can then entertain audiences on our channel. There has been huge growth—40% just in the past year—in terms of films' presence or viewership on Channel 4 streaming. It is something we are focused on, and focused on trying to grow further.

Q182 **Simon Jupp:** If a film is rejected at the commissioning stage, then made independently and offered to your channels for acquisition, how is that decision taken and the fees set?

Ollie Madden: That is something I would have to come back to the Committee on, having spoken to the acquisitions department, because Channel 4 has a separate department that looks after the acquisition of films.

Eva Yates: Do you mean the value of the acquisition?

Simon Jupp: Yes.

Eva Yates: So many factors go into that—the scale of the film, its perceived viewership and the many different things that make it valuable to the BBC. What we try to do in BBC Film is to make sure that we keep the value within TV. When we commission and make things at that stage, putting in licence fee money, we try to ensure that we hold as much value as possible for film makers, so we get value for the BBC in making the film and make sure that the producers have a have a good amount of money in order to acknowledge the acquisition of the rights from our point of view.

Q183 **Simon Jupp:** Talking of producers, how confident are you that the fees that the BBC or Channel 4 pay to license films for broadcast adequately reward producers and distributors for the financial risk they have obviously undertaken to deliver the product?

Eva Yates: That is a question about partnership. We partner in everything we do, so the budget comes to us with those fees presented to us. We look at that, and if we feel they are at a level that is too low, we will discuss that. We get very involved in that process.

There is a major issue because, as Ollie and Rebecca referenced earlier, there is an ongoing issue with producers deferring their fees when they reach the crisis point and cannot make the cost of their film meet the budget that they have managed to raise. We have had to raise our investment in a number of films substantially over the past few years in

order to get them to the point where they have been makeable, but it is difficult for us to continue to do that without starting to lose the overall amount of films that we are able to make in any given year.

Ollie Madden: We look very closely at the amount we are paying for the licensing of the rights—the free-to-air and associated rights—and we pay fairly. As Eva says, if we feel producers have not apportioned enough of our investment to that, we increase it.

We also work very closely with UK theatrical distributors to make sure that our rights dovetail properly with the rights that they are exploiting—theatrical and pay 1, as it's known on streaming platforms—so that our producers can get their films distributed as effectively as possible in all the media in the UK.

Eva Yates: Can I add one last thing to that? It is just to say that I cannot stress enough how important British producers are in the indie sector. What they do and what they have to do is raise the money and work through the creative process of the film. What they do is incredibly difficult. I think the level of innovation we have seen in the last two years has been absolutely extraordinary, but it has also kind of reached crisis point. That is a really good question to be asking, because we need to address everything we can collectively do to support producers better. It is certainly something we are doing quite actively internally at the moment at BBC Film.

Q184 **Simon Jupp:** Before I hand back to the Chair, I am thinking about what was discussed earlier. You were in the audience waiting for your turn very patiently, so you heard about the impact of AI and the huge change that could occur if AI takes over in that way, with entire films—it is terrifying to think about—being scripted and put together by AI. Would you have any qualms about putting such a film on your platforms—an entirely or largely AI film?

Eva Yates: The BBC works on three principles around AI, which I will read, because I don't want to get them wrong: "We always act in the best interest of the public. We always prioritise talent and creativity. And we are always open and transparent." Those are the three things that I think we want to look after.

James made some great points about AI. We want to make sure that we are protecting people's IP and that we are not using misinformation or presenting misinformation; that is obviously particularly core for the BBC. Those things all need to be factored in. Right now, there is no process to declare whether or not something has AI in it, so that is something we have been discussing, actually. If we receive a script, do we need someone to declare that that's part of what has been done?

There is a conversation around what virtual production looks like, and what it means to use AI to make the backgrounds of a film versus whether we let generative AI write a script. There are hugely different impacts. If we can harness some of it, it is really useful. Actually, it can be an

operational thing, which is very useful. On the other end of it, we do not want to lose the human connection that makes what we all do in the arts worth doing; it is such a human endeavour. I would absolutely not say that we would have qualms about showing something, but I think we would do it within a framework that made it clear that that's what it was.

Simon Jupp: Fascinating. Ollie?

Ollie Madden: More broadly, I think AI and generative AI can be an incredible tool. In fact, it has already been used quite extensively, particularly in the post-production of films. It has brought down the cost of post-production quite significantly. It is a tool that film makers are able to use very effectively.

We share all the concerns that James spoke about eloquently in terms of protecting IP and individuals' rights of portrayal, et cetera. We are behind all the work that the unions in America are doing to ensure those protections. I also believe absolutely in the fundamental depiction of sentient humans and something very specific to that, which I think AI is going to struggle to replicate. However, we are also aware of the great power of AI and the speed at which it is developing, so it is an area that we are looking at very closely.

Q185 **Simon Jupp:** It seems as though it is an ongoing conversation.

Eva Yates: Yes.

Q186 **Chair:** Ollie, can I take you back to something you said a while ago about how difficult it is to get cinema screens for films? When we took evidence from some of the exhibitors—some of the cinema groups—they bemoaned the lack of decent content coming through. What is the issue here, and who holds the solution?

Ollie Madden: I think it is a supply issue. We have a film opening this Friday called "Wicked Little Letters", which is one of the widest releases that StudioCanal, its distributor, has ever had. It is opening in about 695 locations. That is wider than "Paddington 2", which was a huge hit. There is huge demand from exhibitors for British films, but everyone we have been talking to is saying that there are not enough of them being made—that there is a lack of supply. Our responsibility and our priority is therefore to back as many great films as possible to ensure that there is a steady supply, and that we do not have gaps in the supply when there are labour strikes in America, as the industry saw last year.

Q187 **Chair:** There are actually more films being made than ever before, so, when you say "supply", do you mean the supply of a certain type of film?

Ollie Madden: Of British independent films, yes. Obviously, the inward investment films—the big Hollywood blockbusters—many of which are being shot here, are in good supply, and that is great. That is great for the British film economy. But, there has been a reduction in the number of British independent films being made, and a reduction in the box office for those films, because there are fewer of them.



Q188 Chair: Do you subscribe to the view that there should be more promotion of “best of British” films—maybe some kind of dedicated screen or something in cinemas that champions British independent film making?

Ollie Madden: I am open to any ideas that can help that sector, but I am a believer in the idea that if you make great films, and you distribute them well and market them well—marketing is crucial to getting the films out there—the audiences will come. That is the key thing. We work incredibly closely not just in the development and production of our films, but with our distribution partners to make sure that the films are being marketed as effectively as they can be.

Q189 Alex Sobel: You will be pleased to know that this is the last set of questions. Is the Films Skills Fund working as well as it could?

Ollie Madden: We feel that it is working effectively, but there are some areas more generally in terms of skills that we would like to see working better. One of those is to do with more mid-career development. Quite rightly, there has been a huge focus on early career traineeships and apprenticeships, but we feel that there is an opportunity for more training for practitioners who are in the middle of their careers or more advanced in their careers. That is an area that we would like to see developed.

Alex Sobel: Eva, anything from you?

Eva Yates: There is definitely a lot of work being done, right across the industry, on bringing people in. The BBC spends £20 million a year on bringing apprentices through, and lots of money is spent by the BFI and by Skillset. A lot of work is happening, but there is a big retention issue. A lot of work is being done around new talent, but actually, experienced people leaving the industry is a huge problem. It is frustrating to be training lots of new people when there are actually brilliant, experienced people who could be doing these jobs but are not choosing to stay in the industry.

A big issue, particularly with independent producers, is that it is incredibly difficult for them to build companies because they do not have HR or a framework for how they support the freelancers who are working with them. I think it would be really helpful—I know that concerted efforts there are already being made around this—to think about how we help people to understand how to manage people and how to support people well.

We know that there are mental health issues across the industry—it is a very difficult environment to work in a lot of the time. There is already a lot of work being done on that; we would like that to continue and to see more. There are people available on every set, and there are policies around how we work in those ways already, but I think that there is even more work to do on that as well.

Again, there is a big supply question. Part of the reason that it is so difficult in independent film is because those people who are coming into the industry move very quickly into the inward investment sector. As soon

as we have found somebody, given them an opportunity and started to think that we will be able to work with them as an experienced practitioner in the industry, they are swept up into those spaces, so we are scrambling to keep the chain going.

Q190 Alex Sobel: I am an MP in Leeds, and Leeds BFI, Screen Yorkshire and Channel 4 do some great work on skills and bringing forward people from under-represented groups. You have talked about mid-career apprenticeships—supporting people in the industry so that they do not leave. What more can we do to ensure that people from under-represented communities see film as a career for them and have a pathway into the career? We often hear that people get in because they know other people; they have links. What happens if people don't have any links but just have a dream and maybe the skills as well?

Eva Yates: There is a question about who gets to make films and then there is a question about what crews look like. On who gets to make the film, I think that slightly feeds the second question. I am thinking of something like "Rye Lane", where we had a huge number of black HODs, HODs who represented the story that they were making. That makes a big difference. We had the same on a film we did a few years ago called "Blue Story". We were going into that room and seeing all those HODs building that project and then going out into the industry and working across all sorts of different projects. It had a huge impact.

It has quite a lot to do with us making the right decisions about what we do and do not put on screen; some of that follows. Quite concerted work about how diversity is addressed is going on within the work already being done at ScreenSkills. We have implemented some things ourselves in areas where we see a particular gap. We have an associate producer scheme, because we felt there was a real lack of producers from varied backgrounds across the industry. We have been working on that and we now have eight productions a year where we support somebody to move into producing, having had some experience but not a lot of experience on a feature film. That has had a huge impact. Those producers are now on our slate, making their own films. We have the small indie fund at the BBC, and that is very focused on nations and regions and diverse-led indies, so that work is also being done.

Ollie Madden: We have a similar associate producer scheme, which is focused on producers from under-represented backgrounds. If I think back to when I started in the industry, I remember reading a list of the key producers of British independent films. If I drew up that list today, it would not have grown, changed or evolved in the way that we would like. I completely agree with Eva. Independent producers are absolutely fundamental. They are the employers; they are the people we look to to build diverse crews and tell diverse stories. It is vital that we support that sector and support those producers. It is very hard to get training as a producer on the job—work-based training—so that is an area that we have been similarly focused on to make sure that producers can grow and develop and build sustainable businesses.

Chair: Thank you. And finally, Giles.

- Q191 **Giles Watling:** Yes, a thought just occurred to me, because for donkey's years I have been shouting about soft power and the fact that our cultural exports generally, and more specifically our performing arts, affect what we sell to the world—UK plc. Do you think the industry itself is doing enough to make that point? We talk about getting tax breaks from Government, raising finance and the artistic dividend; we have touched on it during the session this morning with all three panels, but I don't think enough is made of it by the industry generally. When we say, "We need a tax break," it is not just so that we can make great films or whatever; it is so that people who are perhaps more sceptical can say, "Actually, we can see benefits." Since the time of Shakespeare, we have been brilliant at punching above our weight through our artistic exports, but we need to do more. What more do you think the industry can do?

Eva Yates: I agree with you. When we make a film, although awards, festivals, the box office and all those things are great, my favourite thing is when you get a message from someone who tells you how meaningful that story has been to them. There is the soft power of how those films go out into the wider world and what it means globally. We are very privileged as the BBC to immediately have people's ear when we put things out into the world, because of their recognition of the quality of the things that come through the BBC. We have that captive audience, which is always very helpful in the work that we put out, but it is also what we are saying back to ourselves. Seeing some of the more original authored work that has shown a particular sector of society or a particular experience that has not been explored much before—telling those unrepresented stories—has the most extraordinary personal impact. So on the question of how it is out there in the world, yes, we should be shouting about it very loudly.

- Q192 **Giles Watling:** All that is absolutely great, but what you have to do is get into the minds of dry old dumpy politicians, who are looking elsewhere at other things, and tell them how important it is. Ollie, any views on that?

Ollie Madden: I completely agree. I hope that this Committee—I am sure it is—is proud of what British film is able to do culturally, commercially and societally. We are involved with "The Zone of Interest", a film that is currently on release across the world, and we are getting reports about how timely and resonant they are finding it in terms of conflicts that are going on today. The ability of British storytellers to reach a global audience, because we are here to support British film but we make films for a global audience, is something to be incredibly proud of and support in every way we can.

Giles Watling: I have always held that we eat McDonald's and drink Coca-Cola because of the power of the American film industry. Let's get them drinking Tetley tea.

Chair: Thank you so much for your time today. Was there anything we



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didn't cover that ChatGPT didn't provide us with? If you think of anything that you feel we need to add to our evidence, please don't hesitate to drop us a line. We are really grateful for your time today. We are going to continue to take evidence on British film and high-end TV, but we are beginning to hear quite a strong message coming through time and time again that we need to do more to support independent film here in the UK. We hope that the Treasury is listening. We will certainly be watching. In the meantime, we are really grateful for your help and support today.