

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2131

Title: Production Finance Market – Film London

Executive Summary:

The Production Finance Market is the only event of its kind which is held in the UK. It is an annual two day event which aims to connect British film producers with financiers as well as encouraging new cross-sector business relationships, leveraging significant investment into Britain's film sector as a whole. As a result of the Production Finance Markets held over the last nine years over 100 film projects presented gained the necessary finance and have been produced and circulated across the globe. Based on the survey of Producers and Financers taking place in the 2016 an estimated \$34m worth of business had been done as a result of the Market.

Creative Europe, the EU support programme for the audio-visual industry, who have supported the market since 2009 have unexpectedly rejected the funding application from Film London for the 2017 edition of the market, as such approval is requested to enter into a grant agreement with Film London at a value of £50,000 to enable the delivery of this year's market.

Decision:

That the Acting Head of Culture approves:

- Grant funding to Film London of £50,000 to deliver the Production Finance Market.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

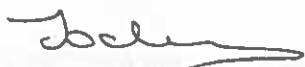
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Jackie McNerney

Position: Acting Head of Culture

Signature:



Date: 3/7/17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Production Finance Market (PFM) is a two day film financing event which is now in its eleventh year. The objectives of the PFM are to build new financing relationships between producers and financiers, enabling British producers to get their films from the idea to production stage.
- 1.2 This year Creative Europe, the EU support programme for the audio-visual industry, has unexpectedly rejected a funding application from Film London to deliver the Production Finance Market. Without EU funding the market will not be able to take place or will have to be scaled back significantly, resulting in many talented British film producers not being able to finance their film productions.
- 1.3 As a trade event the market generates significant economic benefit to London. It helps to build on London's reputation as a centre of finance as well as creative industries and talent. Providing this platform where London's best talent from these two very different sectors can meet is crucial to sustaining London's reputation as a world leader in creative industries, as well as providing British producers with the chance to gain significant finance for their productions.
- 1.4 Between 2013 and 2015 alone, £91m of finance was generated for British film productions as a direct result of the PFM, proving how significant and important that the market is to British producers. Without the market UK independent film would not have the opportunity to pitch and to generate the pre-sale revenues necessary to getting their productions off the ground.
- 1.5 The GLA funding of £50,000 is required to bridge a current gap in funding for the PFM. Film London also receives funding from the British Film Institute and Department for Investment and Trade as well as income from other partnerships and fees to help deliver the event.
- 1.6 The GLA commissioned independent research into the PFM earlier this year, alongside a wider evaluation of Film London. It found that 82% of the revenues associated with the PFM wouldn't occur if Film London did not exist.

2. Objectives and expected outcomes

- 2.1 The PFM is integral to the Mayor's Production and Export Programme as it supports independent British filmmaking. Much of GLA funding for Film London supports London's film industry by bringing in inward investment (mainly from the US). The PFM demonstrates the Mayor's commitment to nurturing home-grown talent.
- 2.2 The event will follow the previous formats of the market, whereby British based film producers and companies are able to attend to pitch ideas to financiers to enable them to raise the required finance required to produce their films.

3. Equality comments

- 3.1 Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due Regard' of the need to eliminate unlawful discrimination, harassment and victimisation as well

as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.

- 3.2 The GLA contribution to the activities as set out in this report will enable the continued creation of employment opportunities for Londoners, creating both positive social and economic impact in the capital, enabling London's creative talent specifically in the film sector to flourish.
- 3.3 The market delivers two strands to this event, one for production with a budget of over £1m and one for those with budgets of under £1m ensuring that participation in the event by film production companies isn't solely limited to those with the biggest budgets.

4. Other considerations

- 4.1 In terms of links to key Mayoral objectives, this programme of investment will help the GLA to work with the creative sector to foster economic growth and jobs creation, as well as providing opportunities for Londoners. The return on investment into the London economy would be significant given the amount of funding required to deliver the activities detailed in this report.
- 4.2 The PFM is also a key part of the London Film Festival industry programme. The loss of the market could also damage the London Film festival's reputation at a critical time as central Government plans to cut London Film Festival funding to £0 over the next four years.
- 4.3 Without the necessary funding the market will either not be delivered, or will be too small to operate effectively. Other funding (increased levels from DIT or private sector sources) are not an option in the current timescales. PFM is the only event of its kind in the UK and would be unlikely to be replaced which would significantly harm the capital's film industry professionals.
- 4.4 Film London have a proven track record in terms of achieving against deliverables. The Culture & Creative Industries Unit have now grant funded Film London since 2003 and performance against agreed funding agreement milestones has always been consistently high.

5. Financial comments

- 5.1 Approval is being sought to approve expenditure of up to £50,000 as a contribution to the 2017 Production Finance Market event.
- 5.2 The proposed expenditure will be issued as a grant to Film London who organise this event and subject to a funding agreement where outcomes have been agreed.
- 5.3 This expenditure will be funded from the Culture and Creative Industries 2017-18 budget.

6. Planned delivery approach and next steps

Activity	Timeline
Announcement	By July 2017
Delivery Start Date	3 July 2017
PFM takes place at the Grange Tower Bridget Hotel	October 2017
Evaluation of PFM to be completed	February 2018

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer:

Dominic Trembath has drafted this report in accordance with GLA procedures and confirms that the Finance and –if relevant- Legal teams have commented on this proposal as required, and this decision reflects their comments.

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 26th June 2017

HEAD OF FINANCE AND GOVERNANCE:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date:

03-07-17