LONDON ASSEMBLY

Culture, Sport and Tourism Committee

Picture perfect?

A London Assembly report into the capital's cinemas.

October 2003

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Chair's Foreword

The launch of the London Film Festival this week underlines the importance of film in London. Our city has a grand tradition in film making. It also boasts more screens by far than any other UK city.

The London Film Festival is a fantastic opportunity to showcase London's rich film and cinema culture. The festival, year on year, is building on its reputation and achieving a higher profile across the world with over 300 films from over 45 countries being screened this year alone. Last year's festival attracted over 110,000 admissions.

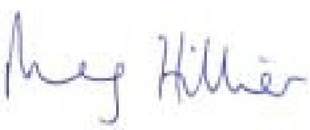
But this report is a timely reminder that more could be done to ensure that Londoners have better access to cinemas and greater choice of films.

Provision in the West End is superb, among the best in the world - cinema provision elsewhere in London is mixed at best. Alfred Hitchcock was born in Leytonstone in Waltham Forest, a borough which no longer has an operational cinema; and the city in which 300 languages are spoken shows a paltry range of foreign language films outside of the West End. The London Film Festival does not have the same profile as other international film festivals.

London does not have a specific tourist campaign for film, as theatre has had. In November, *Love Actually*, the latest Richard Curtis romantic comedy is released and uses a number of prominent London settings, including our own City Hall. Recent hits, such as *Bridget Jones, 28 Days*, *Notting Hill,* and *Snatch,* have shown London's cityscape to the world. The interest and romance generated by film locations raise many possibilities for London's tourism.

We intend to look into this issue and evidence to the Committee about the interaction between film distribution and film production when we examine London's creative industries in early 2004.

I would like to thank the many cinema exhibitors (big and small), film distributors and film organisations for giving so generously of their time and expertise. We hope that you find this report interesting and that it helps to increase all Londoners' access to film.



Meg Hillier Chair of the Committee

The Culture, Sport and Tourism Committee

The London Assembly established the Culture, Sport and Tourism Committee on 10 April 2002. It is one of eight committees that, between them, cover the range of policy areas relevant to London government. The members of the Committee are:

Meg Hillier (Chair)	**Labour**
Angie Bray (Deputy Chair)	**Conservative**
Mike Tuffrey	**Liberal Democrat**
Brian Coleman	**Conservative**
Len Duvall	**Labour**
Noel Lynch	**Green**

Terms of Reference for this scrutiny

- To establish the trend for the provision of cinemas across London
- To establish the extent and nature of choice of films that Londoners have available at cinemas across all London
- To examine what measures may be taken by the Mayor, local authorities and relevant bodies to ensure Londoners have the widest possible choice of cinemas and films feasibly available.

General Terms of Reference for the Committee

To examine and report from time to time on-

- the strategies, policies and actions of the Mayor and the Functional Bodies
- matters of importance to Greater London

as they relate to culture, sport and tourism in London.

To examine and report to the Assembly from time to time on the Mayor's Culture Strategy, in particular its implementation and revision.

To take into deliberations the cross cutting themes of: the health of persons in Greater London; the achievement of sustainable development in the United Kingdom; and the promotion of opportunity account in its

To respond on behalf of the Assembly to consultations and similar processes when within its terms of reference."

Details of the Committee's work programme, reports, meeting agendas and minutes are available at www.london.gov.uk/assembly

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Executive Summary

London has 95 cinemas; almost 500 screens and on an average week, Londoners have a choice of over 130 films – from Finding Nemo to Faat Kine. Our city is comfortably better off than the rest of the country for screens per capita and compares favourably with New York for choice of film, number of cinemas and number of screens. We are incredibly fortunate to live in a city with such a range of cinematic options.

However, we should not to be blinded by the billboard lights of Leicester Square. Outside the West End, Londoners' access to a local cinema and to a diverse range of films is dramatically reduced. Our report and accompanying map (see Appendix B) show that:

- More than a third of London's cinemas are concentrated in central London;
- Several London boroughs (Brent, Hillingdon and Wandsworth among them) are well below the average national level of access to cinemas
- Two London boroughs – Lewisham and Waltham Forest - have no active cinemas
- A hundred different films were exhibited in the West End in a week, compared to fewer than 70 in the rest of the London (which has three times more cinema screens). Seventy-five per cent of screenings outside the West End were for only six films.
- Only 8 per cent of screenings outside the West End in a week were foreign language (compared to a quarter of all screenings in the West End).

This patchy distribution of cinemas across London and the lack of choice in films should not be ignored. Sixty per cent of Londoners live well outside central London and many of them find it difficult to travel beyond their town centre, let alone into the West End. A concentration of screens in the West End and a scattering of cinemas across the rest of London does not provide enough choice for Londoners. In addition, cinemas have the potential to contribute significantly to the regeneration of town centres (particularly their night-time economy) and help councils deliver their cultural programmes. We have asked the London Development Agency to examine this role more closely and consider what support could be given.

The location of cinemas and the range of films on offer are due to complex market forces. These are largely dictated by the relationship between cinemas and film distributors, each cinema's approach to programming (often determined by whether are a multiplex or independent) and their capacity (number of screens). It is too simple to blame lack of choice on the rise of the multiplex and the decline of independent high street cinemas.

We believe a small amount of intervention could result in a greater amount of choice for Londoners. We recommend that:

- The Mayor's London Plan makes clear that London boroughs should recognise the value of cinemas to their communities and actively address gaps in cinema provision;
- The Mayor considers how he can increase the profile of London's Film Festival and the choice of films in London more generally (through festivals and events);
- The Office of Fair Trading's current review should examine how the relationship between distributors and cinema exhibitors can be balanced to encourage choice; and
- Film bodies (like the UK Film Council and British Film Institute) bear in mind the need to improve access to a diverse range of films in outer London

1. Introduction

1.1 Londoners love film. As survey after survey attests, going to the cinema is Londoners' favourite cultural activity. Sixty-five per cent of us visit a cinema at least once a year –twice the number of those attending the theatre.[1]

1.2 Some figures help to underscore the popularity of London's cinemas and their economic importance. London accounts for a third of the UK's total box office;[2] in fact, the takings from West End cinemas alone account for more box office revenue than the whole of Scotland.[3] Each year, the capital's cinemas are estimated to contribute over £160 million to London's economy.[4]

1.3 Taken as a whole, London is remarkably well served in terms of the number of cinemas and the choice of films on offer. We have more screens per population than any other city in the UK. Internationally, we compare favourably to New York City.[5] Cinema admissions in London have been steadily rising for the last decade.[6]

1.4 What prompted our inquiry were suggestions that this rosy overview does not accurately reflect the reality of Londoners' access to cinemas or choice in films.

1.5 As we highlighted in our response to the Mayor's draft Culture Strategy,[7] more cinemas and screens may not equate to greater choice. For example, the Chief Executive of the UK Film Council has previously cautioned that

> the ability of customers and the general public in the UK to see a broad range of films outside the kind of product which is readily available at multiplexes is becoming increasingly hard.[8]

1.6 The closure of a number of high street cinemas over the last eighteen months – including the Catford ABC, Greenwich High Street, Kingston ABC and Walthamstow EMD cinemas – has also raised concerns about the level of access to cinema, particularly for those in outer London.

1.7 Our investigation set out to examine the current level of cinema provision in London and the extent to which all Londoners, not just those living near or within easy reach of the West End, have a chance to share in the richness of London's cinematic culture.

1.8 The Committee has sought submissions from independent and mainstream exhibitors, leading distributors and statutory bodies such as the British Film Institute and UK Film Council. We have also heard from local authorities and the wider GLA family including the Mayor, the LDA and the capital's new body, Film London. Members have also talked to management at the Rio Cinema in Dalston

[1] *Arts in England: attendance, participation and attitudes in 2001*, Arts Council England, 2002. p.58
[2] Submission from Film London
[3] Submission from FDA
[4] Spending Time – GLA Economics, October 2003
[5] London Assembly Cinema Research, Appendix A
[6] According to the 2002 UK Film Council Statistical handbook, admissions in the UK have risen from 98 million in 1992 to 175.9 million in 2002.
[7] *Scrutiny of Draft Culture Strategy*, GLA, April 2003
[8] Minutes of Select Committee on Public Accounts, 7 May 2003

and Phoenix Cinema in East Finchley. Full details of evidence received and Committee hearings are provided at Appendix D.

1.9 In addition, we carried out a 'snap shot 'survey to establish the level of choice across all London for a week in August and commissioned a map which marks out where London's cinemas are located across all 33 local authorities (see Appendix B).

1.10 Chapter 2 outlines the current levels of provision and highlights particular gaps across Greater London. Chapters 3 and 4 explain how these gaps occur and the value of cinemas to local communities. Chapters 5 and 6 examine what can be done to address the issues of access to cinema and greater choice in film, especially in outer London.

1.11 This report is primarily concerned with the experience of the filmgoer not the film maker or the British film industry more generally (70% of those employed by the Film Industry are based in London or the South East). The Committee plans to conduct a wider investigation in 2004 into London's Creative Industries, of which the film industry obviously plays a central part. Some issues raised in this report, particularly about distribution, and other suggestions relating to film production – for example, celebrating London as a film capital and exploiting its association with film as a tourism niche[9] - will be looked at in more depth as part of this larger piece of work.

[9] See for example, Minutes of Culture Sport and Tourism Committee meeting, 23 September 2003.

2. Cinema exhibition in London

Background

2.1 The spread and landscape of cinemas across London has always been fluid – from the development of cinemas on almost every high street in the 1930s through to the multiplex developments of the 1980s and 90s.

2.2 In the early 1980s, cinema exhibition was on its knees. The rise of the video and the crumbling state of many UK cinemas meant that cinema attendance was at an all time low; in 1985 we heard there were only 54 million cinema admissions nationally[10].

2.3 As we know, reports of cinema's death were greatly exaggerated. Last year, there were 176 million cinema admissions in the UK, the highest figure since 1971.[11] Since 1992 alone, admissions have risen almost 80 per cent. [12]

2.4 According to Sir Alan Parker, Chair of the UK Film Council, this transformation, 'unthinkable 20 years ago', is largely due to the to the capital investment in cinemas by large chains.[13] This investment, largely in cinemas (that is, multiplexes with five or more screens),[14] has helped to bring in a new audience attracted by their cleaner, lighter environment, as well as a greater choice of film and flexibility of screening times.[15]

2.5 This chapter considers the current level of provision of cinemas across all London and the range of films on offer in them.

Current cinema provision in London

2.6 At present, Greater London has 95 cinemas, housing a total of 496 screens between them.[16]

2.7 Several submissions to our committee argued that 'the development of high-quality multiplexes in many local areas in London and..the West End mean that Londoners now have greater access to cinema screens than ever before.'[17]

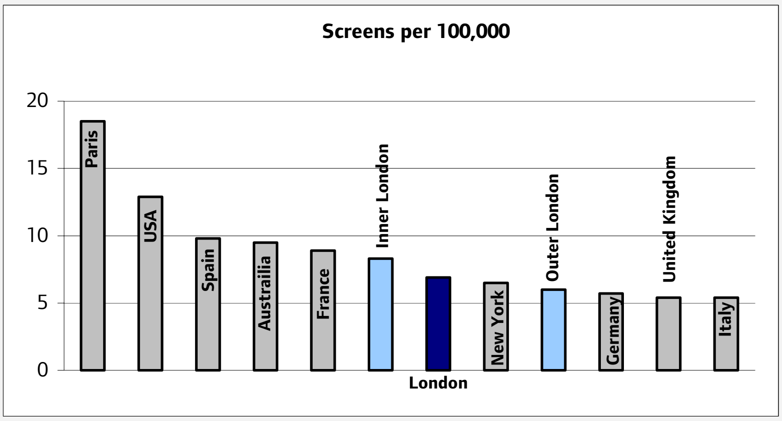
2.8 Multiplex venues now account for 45% of all London cinemas and 77% of its screens.[18] Although the perception is that these multiplexes are on the fringe of the city, changes to national planning policy and a general tailing off of cinema

[10] John Wilkinson, CEA, Minutes of Culture Sport and Tourism Committee meeting, 23 September 2003
[11] House of Commons Select Committee Report, *The British Film Industry*
[12] UK Film Council 2002 Statistical Yearbook
[13] *Building a Sustainable Film Industry*, 5 November 2002
[14] As defined by the UK Film Council Statistical yearbook
[15] Submission from Cinema Exhibitor's Association
[16] London Assembly Research
[17] Submission from United International Pictures
[18] London Assembly Research

construction on the outer edges of cities,[19] mean that newer multiplexes tend to be located more centrally (though still largely outside the West End).[20]

2.9 At almost seven screens per 100,000 people, London is better catered for than other city in the United Kingdom or the rest of the UK as a whole.[21] Internationally, we are marginally better off than New York City (83 cinemas, equivalent to 6.5 screens per 100,000 people) though still well behind the world's cinema capital, Paris. (See Table 1)

Table 1: National and international comparisons of cinema provision[22]



Explanation

- Overall, London is better of than the rest of the UK in terms of screens per 100,000.
- London is slightly better than New York (measured here as the five counties) both in terms of number of cinemas and screens per 100,000.
- Paris outperforms both. However the Paris statistics cover the central districts so a comparison within Inner London is better matched in terms of population.

2.10 However, as the British Film Institute (*bfi)* acknowledges, 'cinema provision in communities across the capital is very mixed.'[23] Our table and map at Appendix B (pages 28 & 29) indicate how dramatically the number of cinemas varies across London even when looking beyond immediate borough boundaries. Those living in or near the eight square mile concentration of cinemas in central London

[19] For example, the number of screens in City centres or edge of centre cinemas has increased by over 15% between 2001 and 2002 whilst the development of out of town developments appears to have reached a plateau. 2002 UK Film Council Stat Yearbook
[20] In London, since 1998, only two cinemas have been built in out of town locations. During the same period, 12 city centre cinemas have been developed.
[21] London Assembly Research
[22] UK Film Council 2002 Statistical Yearbook; Time Out New York; Centre national de la Cinématographie - La géographie du cinéma; BfI Handbook 2002; 2001 UK Census; US Census;
[23] Submission from *bfi*

(described collectively as 'the West End')[24] are spoilt for choice. There are 35 cinemas within the West End housing 113 screens. Almost two thirds exhibit non-mainsteam films (deemed specialist[25]). A resident of Westminster, for example, has 19 cinemas virtually on their doorstep.

2.11 On the other hand, those living outside this area, particularly those in the outer parts of north-east or south-west London, fall well below the national average for cinema provision[26] and have to rely on one or two large multiplexes that are often quite a distance away. Most strikingly, two boroughs within London – Waltham Forest and Lewisham – currently have no active cinemas at all.

Film choice in London

2.12 In a single week in August this year,[27] 136 different films were shown throughout London. They ranged from *Terminator 3* to *Monsieur Hulot's Holiday, Darna Marna Hai* to *Space Station 3D*, *Nosferatu* to *Stuart Little 2*.

2.13 The range of films available in London is unrivalled anywhere else in the country - and probably only bettered by a handful of cities internationally. The size of London's cinema-going population, its economic and critical clout, the presence of flagship cinema sites like the National Film Theatre or Leicester Square and several prestigious film festivals (including the London Film Festival) ensure that Londoners have first pick of almost all of the featured films released in the UK, as well as extensive programmes of retrospectives and reprints.[28]

2.14 Again, however, closer examination reveals significant geographic disparities in the choice of films available. The choice of films is far more diverse in the West End and the fringes of central boroughs such as Kensington, Camden and Lambeth. Of the 136 films shown in our sample week, 100 were shown in the West End and 68 in the rest of London.[29]

2.15 The West End offers specialist films alongside blockbuster movies. Large chains such as the UGC and Odeon are good examples; *Good Bye Lenin* and *Respiro* sat next to *Pirates of the Caribbean* and *Terminator 3* at the UGC on Fulham Road. At the same time that the Odeon on Leicester Square screened *Terminator 3* thirty times in one week on its near 1000 capacity main screen, the Odeon on

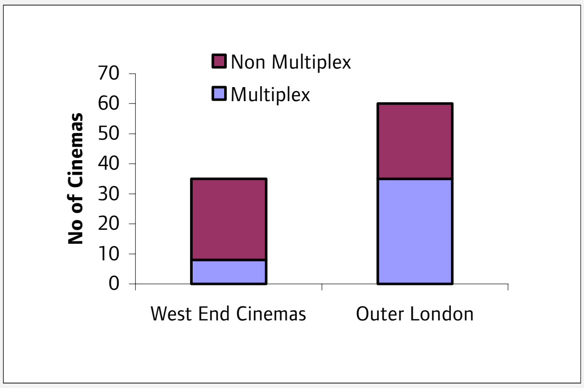
[24] The West End is classified as the following cinemas (according to *Time Out* and *Evening Standard* listings): Astral, Barbican, *BFI* IMAX, Chelsea, Cine Lumiere, Coronet, Curzon Mayfair, Curzon Soho, Electric, Gate, Goethe Institute, ICA, National, Odeon Camden Town, Odeon Covent Garden, Odeon Kensington, Odeon Leicester Square, Odeon Marble Arch, Odeon Panton Street, Odeon Swiss Cottage, Odeon Tottenham Court Road, Odeon Wardour Street, Odeon West End, Other Cinema, Prince Charles, Renoir, Science Museum IMAX, Screen on Baker Street, UCI Queensway, UCI Empire, UGC Chelsea, UGC Fulham Road, UGC Haymarket, UGC Trocodero, Warner Village West End
[25] As used by the UK Film Council. In summary, specialist films are those films - long or short, fiction or non-fiction - which are non-mainstream, (i.e., foreign language, classic or archive, under represented or challenging elements). A full definition can be obtained from the UK Film Council.
[26] For example, Brent has 1.1 screens per 100,000 people well under the average national provision of 5.4 screens
[27] 8-14 August 2003. London Assembly research
[28] In 2002, a total of 394 feature films were released, all of which screened in London. Submission from Film Distributor's Association.
[29] Note that the figures add up to more than 136 films because of overlap –eg. Pirates of Carribean showing in West End and outer London is counted twice.

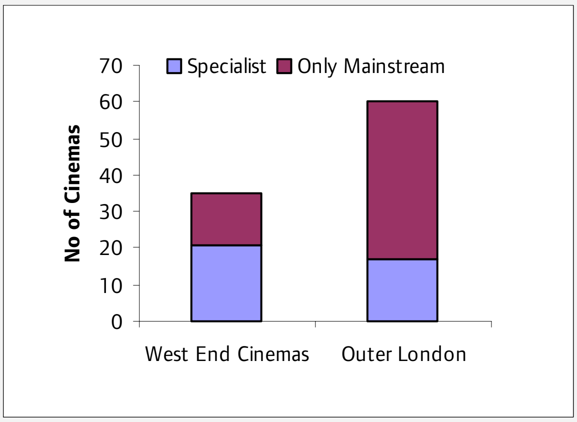
Panton Street screened the Japanese film *Dark Water*, the French film *Sex is Comedy* and American independent titles such as *Igby Goes Down* and *Secretary*.

2.16 The range of foreign language films is also far greater in the West End. A quarter of all screenings in the West End were foreign language films compared to only 8 per cent in the rest of London. For a city in which 300 languages are spoken and where two thirds of Londoners live outside the West End, this figure seems surprisingly low. The one notable exception was the showing of Asian films – only one out of the ten cinemas showing Bollywood films in London was in the West End.

2.17 The location of cinemas that concentrate their programming on retrospectives, film 'classics' and foreign films (for example, the National Film Theatre or Barbican) is partially responsible for this imbalance. However, it is clear from Film London research that cinemas in central London are far more likely to programme specialist films. Of the 50 cinemas that screen specialist films on at least one of thier screens, two thirds are in inner London[30].

Table 2: West End vs. Outer London: Multiplex and Specialist Venues





Explanation

- The West End has 35 cinemas; 8 are multiplexes and 21 show specialist films. Outer London has 60 cinemas; 35 are multiplexes and 17 show specialist films.
- Of the 68 films shown outside the West End during our sample week, more than 75% of all screenings were for six films and only 31 were screened more than once a day.
- These six films were Terminator 3, Pirates of the Caribbean, What a Girl Wants, Rugrats Go Wild, Spy Kids 3, Legally Blonde 2

[30] Inner London - as defined by http://www.statistics.gov.uk/census2001/pop2001/london.asp

2.18 Finally, a less imaginative market dynamic appears to operate in the rest of London, particularly outer London. Not only are there fewer films from which to choose but choice is further constrained by the number of screenings of each film. Of the 68 films shown outside the West End during our sample week, more than 75% of all screenings were for six films and only 31 were screened more than once a day (see Table 2).

2.19 In short, London's choice of films is extensive but geographically limited to a cluster around the West End. Those outside this area will find that their local cinema (if there is one) will tend to show a much narrower selection of films, of which a handful of mainstream, mainly American, films will dominate.

3. What affects our choice of films in London?

3.1 In evidence to the Committee, the Mayor told us that:

> one of the main constraints [on choice of film in London] is the dominance of the multiplexes, which largely focus on commercially successful film, and the role of distributors which determine what film is available.[31]

3.2 In our view, this explanation is broadly correct but fails to explain the complexities of the situation. If London now has more screens on which to show films, exhibitors who wish to maximise their profits by appealing to as many people as possible and distributors who want good returns on all of their titles (not just the blockbusters), why don't we have an extensive range of film choice across the whole of London?

3.3 Evidence to the Committee points to three main factors which govern the amount of choice that each Londoners has:

- the number of screens in your local area;
- the programming decisions for each of these screens (largely dependent on the type of cinema); and
- the availability of cinema prints (usually dependent on distribution agreements)

Types of cinemas in London and their location

3.4 Increasingly the descriptions for the various types of cinema – multiplex, art-house, high street, local, independent – do not help our understanding of the current situation. Where once there may have been an independently owned single-screen cinema on your local high street and a multiplex on the fringes of the city, now your local or 'high street' cinema (if you have one) may well be an eight-screen theatre run by a cinema chain (for example, the Streatham Odeon).

3.5 To understand film choice in London, it makes less sense to talk in nostalgic terms about local or 'high street' cinema and more to talk about the approach taken by cinema exhibitors – in the current shorthand, by whether the cinema is a 'multiplex' (that is, part of a large commercial chain like Warner Village) or an 'independent cinema'.[32]

3.6 As we discussed above, multiplexes have dramatically changed our expectations of cinema-going and increased the number of screens in London. However, more screens does not necessarily equal greater choice due to the pressures on multiplexes. As one submission noted:

[31] Submission from Mayor of London

[32] These descriptions, in common use, also have their deficiencies. 'Independent cinemas' in London are often parts of chains (eg. City Screen) and, according to John Wilkinson (Film Exhibitor's Association), 40% are booked by one company. Similarly, not all commercial cinema chains are multiplex (a cinema with five screens or more) and some cinemas with more than five screens, like the Ritzy in Brixton, is considered an 'independent cinema'.

A site like Warner Village in Leicester Square, although it has 9 screens, will take 3 screens up with a film like 'Finding Nemo' and an additional 2 screens with 'Bad Boys 2' thus limiting choice even further.[33]

3.7 Many blockbuster films make the majority of their money in their first ten days, when the interest generated through publicity and advertising campaigns is at its highest. We heard that there is significant pressure on multiplexes to take multiple prints of major films and show them in as many screens as possible in order to bolster the opening week's box office returns.

3.8 Smaller or specialist films often rely on word of mouth to gather an audience; it takes time to develop a 'critical mass'. For example, in our survey week, titles such as *Whale Rider* and *Buffalo Soldiers* were among the top 10 films, taking over £67,000 box office in total (after four and five weeks of release respectively). Bigger titles on release for identical periods of time such as *Hulk* and *Charles Angels: Full Throttle* accounted for only £27,000 of box office that week but had generated far more income over their release period (the vast majority in the first two weeks).[34]

3.9 The Film Exhibitor's Association claim that individual multiplex managers have some capacity to modify their programme of films to address local interest (for example, to screen a Turkish film in an area with a large Turkish population).[35] Film London countered that 'most multiplexes are set up with central booking policies'.[36] The risk and time associated with trialling smaller films, the pressures on screens to accommodate blockbuster movies and the need to recoup the sizeable financial investment in their cinema (often £10m or more) mean that it can be 'economically difficult for a multiplex' to broaden its programming.[37]

3.10 It is important to state that some multiplexes do offer a more diverse range of films. For example, UGC cinemas told us that it believes in a mix of programming and argues that 'film can develop the cultural aspects of a community.'[38] It has sought to run a diverse programme of films ranging from mainstream to specialist (with a strong emphasis on foreign language films). Similarly, the Odeon operates cinemas in London (for example, Wardour Street and the 'Studio' in Richmond) which specifically show specialist films[39] and it told us that 'in our multiplex cinemas, our film line-up will cover the whole spectrum of film with specialist product weighted to reflect local demand.'[40]

3.11 Yet, even where multiplexes are committed to diverse programming, this approach is not applied universally across London. For example, three Odeon franchises within the West End put on specialist films compared to only one in the whole of Outer London. Warner Village, which screens Asian films at their flagship Village in Leicester Square, do not show them in Acton or Harrow, despite their large Asian communities.

[33] Submission from Zygi Kamasa (Redbus)
[34] Box office figures supplied by Nielsen EDI
[35] John Wilkinson (Film Exhibitor's Association), Minutes of Culture Committee meeting, 23 September 2003
[36] Adrian Wootton (Film London), Minutes of Culture Committee meeting, 23 September 2003
[37] Amanda Nevill (*bfi*), Minutes of Culture Committee meeting, 23 September 2003
[38] Submission from UGC
[39] Submission from Odeon
[40] Submission from Odeon

3.12 In summary, there are welcome exceptions where multiplexes have been innovative in their approach to programming. But, as Film London concluded:

> By and large, the diverse material being circulated across London is normally being done either by an independent [cinema] or a particular organisation..that hires a venue, rather than it being an initiative from a commercial cinema or chain.[41]

3.13 The greater proportion of multiplexes outside the West End and decisions on programming contribute to geographical differences in the diversity of film on offer (see Table 2).

3.14 This is not to argue that independent cinemas are free of mainstream product or provide the solution. Several independent cinemas have only one screen – hardly a recipe for extensive choice. In addition, many rely on major films to subsidise riskier programming. As most independent cinemas do not have many screens, it is a difficult task to juggle between the desire to be diverse and the need to survive and it is further complicated by a relative lack of clout when negotiating with distributors.

Distribution

3.15 Several submissions, particularly from independent cinemas, stressed that the film distribution system constrained their ability to put on a suitably diverse range of films. For example, the Waterman's Cinema in Brentford claims that its 125-seat capacity 'limits the films we can obtain from distributors' and the Himalaya in Southall claims that they are 'offered films after 3-4 weeks running in other cinemas.'[42]

3.16 Six distributors[43] dominated almost 90% of the market during 2002 (see below) according to the House of Commons Select Committee's report into the state of the British Film Industry.[44] In the Assembly's snapshot survey in August, films distributed by the 'big six' accounted for 61% of screenings in the West End and 87% of screenings outside of the West End – a figure that again underlines the greater variety in the West End. (Appendix C illustrates the film production process).

Distributor		Market share - %	Films Released	Box office £ Million
20th Century Fox	US	17.9	28	146.08
Entertainment	UK	16.6	19	135.89
Warner Bros	US	15.4	24	126.11
Buena Vista	US	15.2	36	124.62
UIP	US	12.5	29	102.55
Columbia Tristar	US	12.3	31	100.94
Pathe	UK	2.1	22	17.39
Momentum	UK	1.9	20	15.53
Helkon SK	UK	1.8	4	14.66
45 others	Mixed	4.3	207	33.82

[41] Adrian Wootton (Film London), Minutes of Culture Committee meeting, 23 September 2003
[42] Mike Tuffrey AM, Minutes of Culture Committee meeting, 23 September 2003
[43] 20th Century Fox, Warner Bros, Buena Vista, UIP, Columbia Tristar. Entertainment
[44] House of Commons Culture, Media and Sport Select Committee Report, *The British Film Industry*

3.17 Although London gets the 'majority of film prints for the specialist or art house products'[45], there tends to be a small number of prints available, often as few as 25 prints nationally, compared to the 400 or so for major movies[46] . As a consequence, negotiations between distributors and exhibitors can be fraught.

3.18 For an exhibitor, a large percentage of any box office taking goes to the distributor, say for example 30%; this percentage can increase when a film's admissions reach a certain threshold for a particular venue in the week. So, if an exhibitor reached £5000 in takings for a title, the percentage of any taking above that figure may well rise to 60%. The diminishing return for the exhibitor is supposed to be offset by the increased additional turnover from catering for example. Each week and for each film, distributors and exhibitors assess likely box office takings, and negotiate an agreement.

3.19 Distributors face a raft of costs themselves. The average cost of a print is £1000[47] and they cover all the advertising costs to promote the film. There is always a 'balance between realising the greatest possible audience ..and the sheer costs involved.'[48] Sometimes smaller venues get lost in the equation; as the Film Distributors Association explained, 'very often [it] may well be the case' [49] that the smaller cinemas cannot make the money in a week even to pay the marginal cost of one extra print.

3.20 The Association of Independent Exhibitors balanced this view:

> Unfortunately a single screen is not going to be able to cope with the demands that distributors have to place on exhibitors to get a chance of a reasonable return…That is distributor economics as opposed to exhibitor economics… You cannot just put a film in for seven days on the day of release and expect the distributor to lock that print in for just those seven days and then no more return.

3.21 Other submissions cited the use of exclusive arrangements within the West End market, usually placed by distributors on major mainstream films. For example, a film is exclusively screened in a Leicester Square cinema for one week before a wider release across London and the UK (as *Kill Bill* has been in recent weeks at the UCI Empire). These exclusive, staggered release arrangements occur perhaps only six or seven times over a year but do nonetheless limit the ability of cinemas (both multiplex and independent cinema) to show a film outside the West End during the week in which it is most popular.

3.22 What is much more widespread within the West End is a single cinema screening a blockbuster film on its first week of general release with no other cinema within the immediate vicinity of Leicester Square also screening the film – an arrangement labelled unofficially as the 'West End Bar' and one that can attributed to almost every major release during a year.

[45] John Wilkinson (CEA), Minutes of Culture Committee meeting, 23 September 2003
[46] Submission from Cine UK
[47] Based on a two hour film - Film Distributors Association
[48] Mark Batey (Film London), Minutes of Culture Committee meeting, 23 September 2003
[49] Ibid

3.23 We have heard evidence that this approach also hampers exhibitors within the West End who wish to run a riskier programme by bringing in much needed box office revenue to offset the risk of screening smaller films during the most profitable period of a release. For example, during the week August 8^{th}-14^{th} , *Pirates of the Caribbean* on its opening week was screened at an Odeon in Leicester Square. The next nearest venues to view that film were the UGC on Fulham Road or the UCI at Queensway.

3.24 In summary, the interaction between distributors and exhibitors, particularly smaller independent cinemas with fewer screens or bargaining power, can affect people's choice of films. In some cases, there are specific conditions placed on prints that tend to disadvantage cinemas outside the West End. Largely, however, the problem is due to distributors managing a difficult balance between their desire to get 'the greatest number of bums on seats for each individual title they are handling'[50] and the cost of the prints they need to make and the return they can expect.

[50] Ibid

4. Why does access to cinema matter?

4.1 Many may be surprised at how dramatically access to cinemas and choice of films vary across our city but few will be surprised that the West End is particularly well served. After all, it is also home to a disproportionate concentration of London's theatres, restaurants, museums and tourist attractions.

4.2 It is unrealistic to expect the breadth of films on offer and the concentration of cinemas achieved in West End cinemas to be replicated across the rest of London. The West End is one of the most richly served areas for film in the world. Londoners are lucky to live in a city with such a cinematic cluster.

4.3 However, as we outlined in the previous chapter, we should not ignore the disparities in access to cinemas or film choice. The West End may always be the prime location to see the opening night of the latest blockbuster or a retrospective on Orson Welles but that should not mean that the rest of London has a substandard range of cinemas or a greatly impoverished choice of films. As Film London emphasised, 'the importance of local cinema provision should not be underestimated.'[51] This is true both for cinema as a leisure activity and its contribution to the cultural life of London.

4.4 We heard that the assumption that people can and will travel long distances to attend the cinema or to see a particular film is not true. Older Londoners, people with disabilities, carers and families are just some examples of those who can find it difficult to travel beyond their immediate area. As Film London pointed out to the Committee, 'many [people] simply do not travel to the centre of London or outside of their immediate area; this is particularly the case with younger and BME groups.'[52]

4.5 Cinema's popularity throughout the world also makes it an ideal medium to reflect different cultures through film. As the *bfi* pointed out, 'cinemas have a role to play in increasing understanding of diversity in our multicultural society.' In a city as diverse as London, it is surprising that foreign language films are largely shown in its centre, an area where many may not travel.

Economic impact of cinemas in London

4.6 In addition, the presence of a cinema, its facilities and its film programme can contribute significantly to the identity and regeneration of an area. Tony Jones, who established the Picture House in Clapham, told us that the development of a four-screen cinema in Clapham 'is often quoted as having 'changed the face of Clapham'. It was quite a rough area – it is still not without its problems – but is better than it was when we took it over.'[53] This view is supported by Councillor Ruth Ling, who pointed to 'a number of restaurants and an art gallery' opening in the area following the Picture House's opening.[54]

4.6 Cinema's broad appeal and the relatively low price of tickets (compared for example to tickets to the football or theatre or the price of a meal at a

[51] Submission from Film London
[52] Submission from Film London
[53] Tony Jones (AIE), Minutes of Culture Committee meeting, 23 September 2003
[54] Submission from Councillor Ruth Ling, London Borough of Lambeth

restaurant)[55] encourage attendance by a broad mix of people.[56] As such, it has the potential to turn a high street or city centre into a place to visit and to stay – especially during the evening.

4.7 In turn, this can have a 'multiplier effect' on local businesses – especially in retail and catering – where people combine their visit to the cinema with shopping, eating or drinking. This demand has the potential to produces a more varied mix of opportunities for business than, say, a nightclub or pub. Discussions with the Phoenix Cinema in East Finchley highlighted the fact that a cinema could be an important 'anchor' for regenerating an area but it could not do it alone.

4.8 Lewisham, one of two London boroughs currently without a cinema, stressed that cinema is 'an integral and important element' for regenerating Lewisham and highlighted that 'in terms of the local economy, film/media production and exhibition have often been used as tools for urban regeneration, particularly in the stimulation of a night-time economy.'[57]

4.9 Waltham Forest, the second borough without a single cinema since the Walthamstow EMD closed, told us that it is 'extremely important for the EMD cinema to continue to be a place of evening entertainment, if the adopted regeneration strategy for Central Walthamstow, focused around the extension of the evening economy in the town centre, is to succeed.'[58] The Council has resolved that if it can successfully oppose the change of use of the building from that of a cinema, it will consider using its compulsory purchase planning powers in order to help this to come about.[59]

4.10 As we found when we sought information on the economic impact of football stadiums on their communities, quantative evidence of cinema's impact on regeneration is thin on the ground. For this reason, we look forward to the report commissioned by the *bfi*, UK Film Council and Film London which is looking into the socio-economic impacts a cinema has on its immediate area. The study which will include a case study on London is expected to be published in the spring of 2004.

Cultural impact

4.11 Cinemas can provide an opportunity to bring about both an economic *and* cultural regeneration. The *Bfi* cited how mixed programming that both the Clapham Picture House and Brixton Ritzy venues put on as evidence of this effect. Amanda Nevill argued that 'if you want to bring an identity to the area to make people who might go out of the borough come back and stay there in the evening, the programming that speaks to the particular culture that you have got there is really important.'[60]

4.12 Again, Lewisham has recognised the value that a local cinema can add to its cultural programme and commissioned a report to deal with the lack of film

[55] John Wilkinson (CEA), Minutes of Culture Committee meeting, 23 September 2003
[56] According to the 2002 UK Film Council Statistical Yearbook, 71% of people across all age groups visited the cinema at least once a year.
[57] Submission from London Borough of Lewisham
[58] Submission from Steve Brickell, Regeneration Manager, LB Waltham Forest
[59] Ibid. Result from the public enquiry into the EMD cinema is expected at the end of October 2003
[60] Amanda Nevill (*bfi*), Minutes of Culture Committee meeting, 23 September 2003

exhibition facilities. The report advocates the development of Lewisham as a borough in which 'residents can gain access to a diverse range of exhibition opportunities as well as one which welcomes all forms and levels of moving image production.' To address the loss of its cinemas, Lewisham intends to:[61]

- commence a £75k capital programme on Broadway Theatre (formerly Lewisham Theatre - owned and managed by London Borough of Lewisham) which will equip it for high quality cinematic presentation by early 2004. The plan is to show mixture of popular and niche films to compliment the Broadway's current diverse programme of live events.
- fund a new UK Online Centre at the Albany in Deptford. As well as digital video and sound recording and editing facilities the programme has equipped the theatre for presentation with a digital projection and large screen.
- purchase another digital projector and screen for small-scale presentation in venues around Downham. In addition Lewisham is considering the potential of purchasing a mobile venue.

4.13 Cinemas deliver a wide range of facilities within their community – including screenings of local film-makers' work and 'parent and baby' screenings. For example, the Phoenix Cinema conducts an education and community programme which includes film courses for young people, collaboration with the Finchley Youth Theatre and new arts centre, Sunday afternoon film forums for adults and in-school workshops.[62]

4.14 The Odeon told us that it conducts sub-programmes dedicated to audiences (for example, Movie Mob children's programme). When we asked the Film Exhibitors' Association about the level of involvement more generally by multiplexes in their communities, we heard that:

> all major companies encourage their managers to participate in local events and support local charities. For example, the Odeon Leicester Square is used by the Lord Mayor of London for his charity.[63]

4.16 UGC informed us that, as part of their plans to invest in a new cinema of up to 15 screens in Ealing, they are 'working hand in hand with the local council and consulting local residents'[64] as well as seeking to build relations with nearby Ealing Studios (for example by screening its films and film education programmes).

4.17 Nevertheless, the overall impression we received was that independent cinemas had greater scope- indeed greater incentive - to encourage a wider community relationship than multiplexes. For instance, the Phoenix Cinema made clear that the educational activities it conducts are also a means of maintaining their current clientele and attracting new cinema-goers.

Access to cinemas for people with disabilities

4.18 For some Londoners, particularly those with disabilities, the question of access to film is particularly acute. It is true that the layout and use of visual and audio aids

[61] Submission from London Borough of Lewisham
[62] Phoenix Cinema factsheet
[63] John Wilkinson (CEA), Minutes of Culture, Sport and Tourism Meeting,.23 September 2003
[64] Submission from UGC

is better in cinemas than in most other cultural venues. In fact, John Wilkinson, of the CEA, claimed that the accessibility of cinemas in the UK is as 'good, if not better than anywhere in the world.'[65] A report by Artsline, an organisation committed to improving access to arts leisure and entertainment for people with disabilities, applauds the improvement in access achieved since 1996 and highlights a number of cinemas where physical access is regarded as excellent.[66]

4.19 To further improve sensory access, the UK Film Council this year announced that they were allocating up to £500,000 of lottery funding in order to install soft subtitling and audio description facilities to one in ten cinemas across the UK. Twenty-two sites currently have these facilities in the UK; it was an aspiration of the CEA members that one third of all sites would provide this facility. The FDA also submitted evidence to the Committee highlighting that over 100 titles were now available in these formats.[67]

4.20 However, the CEA admitted that provision is not 'perfect everywhere'. For example, *Access in London*, points out that 'there are still problems because of the number of older 1930s cinemas have been converted into cinemas with several screens. The 'main' screen is often in the circle of the old cinema and accessed only by steps.'[68] Health and safety guidelines on evacuation of cinemas may also limit the number of wheelchair spaces permitted.[69]

4.21 We would like to see all Londoners able to enjoy cinema. We applaud the considerable efforts made by independent and multiplex cinemas to address the needs of people with disabilities but stress that there is still more to be done to improve all Londoners' access to and enjoyment of the cinema experience.

[65] John Wilkinson (CEA), Minutes of Culture, Sport and Tourism Meeting,.23 September 2003
[66] UCI Leicester Square was given special praise for setting the "pace and the standard" for disabled access. Other UCI cinemas mentioned positively were: Croydon, Queensway, Lee Valley, Sutton, UGC Staples Corner; Warner Kingston, Curzon Soho, Peckham Premier, Rio in Dalston, and the Showcase and Cineworld in Wood Green. *Access in London,* Bloomsbury Publishing, 2003.
[67] Film Distributors Association, 2nd Written Submission
[68] Text taken from www.accessproject-phsp.org/london/entertainment.htm
[69] Evidence from Phoenix Theatre

5. What can be done to improve access?

5.1 It is clear that there is a willingness to address gaps in cinema provisionin London where they exist[70] but fundamentally, cinema exhibitors (whether independent or multiplex) need to be confident that they will get a good return on what is a substantial investment. No-one is going to build a new cinema or redevelop an existing site without being confident that they will make money.

5.2 The construction of new cinemas is particularly costly – anything between £250,000-£500,000 per screen for a new cinema. [71] The Association of Independent Exhibitors noted that 'if you look particularly at Warner [Village] developments, they have actually plugged huge gaps in provision with big, impressive complexes over the last ten years…[Although] they have not had the courage to carry the diversity of programmes through.'[72] This kind of new construction of cinemas in London, either multiplexes or independent cinemas, appears unlikely to continue. The *bfi* told the Committee that it is 'unlikely that London will see major new growth in new-build cinema development in the next few years.'[73]

5.3 If this proves to be the case, Londoners will be left with the existing patchy access to cinemas – particularly in outer London. The only solutions in the short-term seem to be to:

- increase the number of screens at existing cinemas;
- to bring existing cinema buildings (which are being used for other purposes) back into use; or
- to screen films in venues other than cinemas (for example, local arts centres, community halls) as a temporary measure (as is happening in Lewisham, see paragraph 4.12).

5.4 The multiplexes are already acting on some of these solutions in London - on a commercial basis. If a commercial decision to increase provision is not taken in an area with low levels of access to cinema then public assistance should be considered.

Gaps in Cinema Provision: Planning

5.5 Several submissions highlighted the importance of planning to help plug gaps in cinema provision across London.

5.6 Film London observed that 'when planning issues [about cinemas] come up, they should be prioritised as part of the planning process' since there had been several instances where cinemas had closed and its borough had later regretted the loss of those facilities.[74] Local authorities should be conscious of the risks to their existing cinemas.

[70] See for example, submissions from *bfi*, Mayor, Film London and Film Distributors Association.
[71] John Wilkinson, (CEA) Minutes of Culture Committee meeting, 23 September 2003
[72] Tony Jones (Association of Independent Exhibitors), Minutes of Culture Committee meeting, 23 September 2003
[73] Submission from *bfi*
[74] Adrian Wootton (Film London), Minutes of Culture, Sport and Tourism Committee, 23 September 2003

5.7 The strategic planning document for London, the Mayor's draft London Plan, as well as his draft Culture Strategy, both commit to improving access to film as well as encouraging cultural activity away from the 'central area'. The Mayor told us that he would like to see 'cinemas play a role in revitalising town centres.'[75] He has previously championed the EMD in Walthamstow as a 'a vital resource in the regeneration of the Town Centre area and the whole borough.'[76]

5.8 Policy 3D.4 of the Mayor's draft London Plan encourage the boroughs to prioritise and 'support the development of local cinemas.'[77] Policy 3D.2 'Retail and leisure development in town centres' asks boroughs to:

> assess retail capacity and need, through sub-regional partnerships where appropriate. Where need for additional development, capacity to accommodate such development should be identified with the [Borough's] Unitary Development Plan.[78]

5.9 Given the Mayor's emphasis on the importance of cinemas for culture in London and regeneration of town centres, the omission of leisure facilities seems surprising. We would like to see boroughs identify the capacity and need for leisure facilities (including cinema) and ask the Mayor to clarify Policy 3D.2 to include this aspect.

5.10 We are also concerned that the Mayor's planning vision appears to equate 'local cinemas' with independent cinemas. For example, he told us that 'planning could play a role in promoting cinema provision in town centres which in turn could encourage smaller independent cinemas.'[79] As we discussed in chapter 3, this approach misunderstands the current situation in London where commercial multiplexes are often filling local gaps in provision. In some cases, multiplexes, (like the UGC chain) are offering a diversity of films as well.[80] When considering planning applications and how to improve cinema provision, the focus should be on what a cinema will offer the community. Planning should focus on what a cinema will offer – whatever the type of cinema.

5.11 One submission suggested that, if greater access to a diverse range of films is the ultimate aim, then:

> it is crucial for London's [local] authorities to exert an influence in scheduling content. For example, a new multiplex in or der to get planning permission for a site must commit to always showing a British film every 2 weeks and at least 1 non-studio production in another screen.[81]

5.12 Unsurprisingly, cinema exhibitors told us that they are 'adamantly opposed to a London planning authority, including the Mayor..exerting any influence on scheduling content.'[82] The Cinema Exhibitors Association told us that 'any form of quota would be detrimental to all cinemas..[and would] harm specialist cinemas

[75] Submission from Mayor
[76] 'Mayor inspects 'first of its kind' police 'tardis' on tour of Enfield, Haringey and Waltham Forest', GLA Press release, 10 July 2003
[77] Paragraph 162, Draft Culture Strategy
[78] Draft London Plan, GLA, June 2002. p.204
[79] Submission from Mayor of London
[80] Minutes of Culture, Sport and Tourism Committee, 23 September 2003.
[81] Submission from Redbus
[82] Submission from Cine UK

to a greater extent than 'general' cinemas'[83] due to loss of business. The Mayor told us that he 'doubts that planning conditions could determine scheduling content.'[84] In short, we found little support for this proposal on the grounds that it might compromise a cinema's flexibility and viability.

5.13 However, there are some areas which the Mayor may wish to consider. The use of restricted covenants on certain cinema sites was raised as a problem. The Cinema Theatre Association told us that one large cinema chain has:

> imposed a restrictive covenant on every traditional cinema they close, to prevent others opening them in competition to their new multiplex operations.[85]

5.14 These covenants can be lifted by a new operator – usually at a price. For example, when the EMD at Walthamstow was sold by the Odeon a covenant was placed on it which only permitted the screening of Bollywood films which was eventually bought out[86] for an unspecified amount. The Association of Independent Exhibitors told us that 'restricted covenants is an issue that should be tackled.'[87]

5.15 The Committee welcomes the Mayor's commitment to expanding London's network of cinemas and the choice on offer in them to benefit town centre regeneration and access to culture and leisure in London. Together with the guidelines on out of town retail and commercial development that have been place since 1996, there would appear to be an adequate national and regional planning policy framework already in place for cinemas to be reintegrated onto London's high streets.

5.16 We would ask the Mayor to develop a more sophisticated approach which recognises the complexities of cinema provision in London that we have outlined in this report. We would support the suggestion by Film London that it be consulted at the planning stage for new developments which involve a film component.[88]

Recommendation 1

London boroughs should recognise the value of cinemas to their communities. We believe that strong account should be taken of existing cinema provision – though not necessarily buildings – when considering planning applications.

The Mayor should also emphasise to London Boroughs the importance of pinpointing gaps in cinema provision and identifying possible sites for new cinemas in their Unitary Development Plans. In this respect, he should confirm that his Draft London Plan Policy 3D.2 about retail and leisure development in town centres, applies as much to cinemas as to shops.

[83] Submission from Cinema Exhibition Association
[84] Submission from Mayor of London
[85] Letter from Richard Gray, Chair of the Cinema Theatre Association, 23 June 2003.
[86] Submission from Waltham Forest
[87] Tony Jones, Association of Independent Exhibitors, Minutes of Culture Committee meeting, 23 September 2003.
[88] Submission from Film London

Public assistance

5.17 If the market has failed to provide all Londoners with reasonable access to cinemas or places where they can see films, then some form of public assistance should be considered. This view was strongly put to the Committee by independent exhibitors. Other organisations agreed, provided that 'great care [is] exercised by the subsidising authority that the social objectives for which they made the money available to the cinema [are] fully justified.'[89]

5.18 This is an important point. Building new cinemas can be risky costly. Propping up a cinema that is not providing cinema-goers with an acceptable level of film choice or comfort will not be viable in the long-term. As the Cinema Exhibitor's Association put it, 'if a cinema is not offering its public what it wants it will move to another.'[90]

5.19 Some historic cinemas in London have closed and there may be an argument for restoring these venues. However, the heritage value should not be confused with adequate cinema provision. In some cases, these cinemas have closed because they no longer met audience expectations of access, film choice or comfort. A newly constructed cinema in the same area may offer the local community a greater number of screens, better choice of films with more suitable disabled access, a more comfortable environment and better projection and sound.

5.20 There is a range of funding for cinemas available in the UK. These include:

- UK Film Council's Regional Investment Fund of £6 million provides cash for production, screen commission work, cinema exhibition, training, archives and education through regional partnerships.[91]
- The Arts Council England's Regional Arts Lottery Programme (RALP) provides small-scale project grants, small scale capital grants and support for organisational development.

5.21 Several independent cinemas in London also receive public support from local authorities and regional arts bodies. However, the point was made to the Committee that <u>capital</u> funding is needed both to 'kickstart' new cinemas (particularly pertinent given the land costs in London[92]) and to help existing independent cinemas to expand the biggest constraint on the range of films it can offer – the number of screens.

5.22 As discussed earlier, and the Association of Independent Exhibitors emphasised, of they are to be viable and to offer a real choice to Londoners, independent cinemas in London require more than one screen.[93] The one screen local cinema, great where they exist, does not appear to be a long-term solution to plugging gaps in cinema provision. The Picture House in Stratford and the Ritzy in Brixton successfully operate the 'miniplex' model of four to six screens which seeks to combine mainstream and minority programming (thus helping to offset the risk of more diverse films). This may be the way of the future.

[89] Submission from the Cinema Exhibitor's Association.
[90] John Wilkinson, CEA, Minutes of Culture Committee meeting, 23 September 2003
[91] Note there is no UK Film Council fund from which a new cinema may request capital start up money.
[92] John Wilkinson, CEA, Minutes of Culture Committee meeting, 23 September 2003
[93] Tony Jones, AIE, Minutes of Culture Committee meeting, 23 September 2003

5.23 The Arts Council England's Arts Capital Programme provides grants of between £100,000 and £5 million. However, the Arts Council England has stated that new awards 'will not include very large projects'[94] and the *bfi* has cautioned:

> as low as 40 major projects will be funded [from the Arts Capital Programme] across the whole of England over 5 years till 2005/06 but that there is an allocation of £15 million for cinema projects up until 2005/06. Regional Arts Councils and Film Council will play a major role in the selection of cinema projects for Arts Council England funds.[95]

5.24 The emphasis by the Government that future lottery funding should 'act as venture capital for…communities who cannot access the *more orthodox financial routes*'[96] may mean that cinemas will not be first in line for funding.

5.25 Both Film London and the Association of Independent Exhibitors have suggested that, in light of the regenerative potential of cinemas, the London Development Agency (LDA) could provide capital funding and assistance where gaps exist. Film London has asked the body responsible for regeneration in London to:

> prioritise how cinemas can always be looked at as part of any planning leisure property development and how the LDA might be able to pump prime particular kinds of capital developments.[97]

5.26 When we asked the LDA about this proposal, they told us that they appreciate the importance of the cinema to London and, for this reason, provide over a third of Film London's funding for the next three years (£2.7m of £7million total). The LDA has also provided £3.7m funding towards the Rich Mix Centre, a multi-space arts centre in Bethnal Green, which will include cinema projection facilities and are also pushing for a new, multiplex cinema to be included on the development of the Royal Arsenal site in Woolwich.[98]

5.27 We are concerned, however, that the LDA's submission concentrated unduly on the impact of cinema on London's economy and the importance of the film element to London's creative industries. It failed properly to address the extent to which a cinema can have an impact on the regeneration of London's local communities and high streets. We strongly recommend that the LDA examines both this report and the forthcoming report on the socio-economic impact that a cinema has on its local community (see paragraph 4.10).

Recommendation 2

We call on the London Development Agency to recognise the regenerative potential of film exhibition, not just film distribution and consider what could be done to support it in London.

We also ask that Film London, and where appropriate the Greater London Authority, use their influence to lobby for additional funding and to assist cinemas (and potential cinemas) in successfully bidding for grants from organisations.

[94] *Bfi*, At a Cinema Near You, 2002
[95] *Bfi*, At a Cinema Near You, 2002
[96] '14bn Reasons to Keep The Lottery Thriving', DCMS press release, 3 July 2003. Our emphasis.
[97] Adrian Wootton (Film London), Minutes of Culture Committee meeting, 23 September 2003
[98] Submission from the London Development Agency

6. What can be done to improve film choice?

6.1 There is a demand for a more varied range of films in the whole of London, not just the West End. As we discussed in Chapter 3, commercial pressures on exhibitors and distributors, together with the size and location of cinemas, act to limit the choice of films, particularly for certain groups of Londoners.

6.2 Adrian Wootton, Chief Executive of Film London, observed that

> if one simply lets the market dictate [it is very unlikely] that you will have either more multiplexes showing a diverse variety of material or more independent cinemas showing a diverse variety of material.[99]

6.3 This chapter explores what role film festivals and film-related events can play in raising people's awareness of films and ensuring that they have easy access to a more varied choice of films locally. It also examines whether changes to the distribution process, currently being reviewed by the Office of Fair Trading, will change the dynamics in London cinemas. Finally, we consider the likely impact of digital technology and a renovated National Film Theatre could have on Londoner's viewing choice.

London's Film Festivals

6.4 The Mayor's draft Culture Strategy notes that there is a 'lack of access to independent film in London…particularly to world cinema.' His Strategy promises to 'support further capacity building and raise the profile of the network of film festivals in London.'[100]

6.5 As the Mayor notes, many of London's film festivals which reflect London's diversity – for example, African Cinema Festival, Turkish Film Festival, Black Filmmakers, Gay and Lesbian Film Festival – tend to operate on very limited resources. Film London pointed out that subsidised film festivals, especially those exhibited in areas of London outside the West End, can help 'underrepresented audiences..attend screenings that have a direct relevance to them.'[101] The Mayor provides support to the Turkish Film Festival hosted by the Rio in Dalston and the Irish Film Festival in Kilburn.

6.6 Our city's biggest film festival, the London Film Festival, lasts 16 days and shows over 300 films from 45 countries. Last year, the festival accounted for over 110,000 cinema admissions. Although focused largely on the West End, the Ritzy in Brixton and the Tricycle in Kilburn are also being used as venues for screenings.

6.7 This year, the Mayor provided £10,000 to the festival, and linked it with his latest tourism campaign, Totally London. For future years, the Greater London Authority is discussing additional support, including the establishment of a 'delegate centre' in Leicester Square, a profile for the Festival in Trafalgar Square and organising discussions with the LDA about higher levels of funding.[102]

[99] Adrian Wootton, Minutes of Culture Committee meeting, 23 September 2003
[100] *London – Cultural Capital*, Mayor's Draft Culture Strategy, GLA, June 2003. p.68
[101] Submission from Film London
[102] Information from Mayor's Culture Team, 2 October 2003.

6.8 Film London claimed that the Mayor could be doing more to publicise the festival. Adrian Wootton contrasted his experience of similar festivals in Berlin and Paris, which are heavily promoted, with support for the London Festival:

> If you go around the streets [of London] during October and November – and this is one of the biggest film festivals in the world – do you know the festival is on if you are not at one of those venues? No you do not because there is not that level of infrastructural support being provided by the city.[103]

6.9 In other areas, the Mayor has used 'in kind' support to publicise events. For example, his £61,000 contribution to the 2003 London Athletics Grand Prix included 'in kind support' – an event which used London's Living Room at City Hall and advertising on 200 TfL poster sites.[104] Given the Mayor's recent take-over of the Tube, it may also be possible to include film festival leaflets or posters in underground stations.

6.10 The Committee welcomes the support given to film festivals to date and does not ask the Mayor to commit significant additional amounts of money to film promotion in London. However, we believe there is room for a more creative approach to promoting film in London. Suggestions to the Committee included:

- Ensuring links are made between all film festivals, including business sponsored festivals (like the Stella Artois series in unusual London locations) are that these are clearly highlighted on London's tourism website, Visit London.
- Small subsidies for certain films (especially world cinema) to screen films in parts of London where they are currently unseen.[105]
- Coordinating a London-wide promotional scheme for film along the lines of the recent 'Paris Cinema' festival which promoted screenings across Paris (far beyond the centre) with thematic strands and appearances by filmmakers in cinemas.
- Using the revamped Trafalgar Square to host a screening – perhaps to celebrate a cultural event (for example, Chinese films for Chinese New Year)[106].
- Sponsoring a premiere at a London cinema of a film which does not get a gala launch and which promotes access. For example, a digital-subtitled film.

Recommendation 3

We ask the Mayor to consider how he can raise the profile of the London Film Festival, for example through 'in kind' support.

We also ask that the Mayor explore what role he can play in expanding film choice for Londoners - either through greater support through existing GLA events or private sponsorship.

[103] Adrian Wootton (Film London), Minutes of Culture Committee meeting, 23 September 2003
[104] This support was costed at £20,000
[105] Submission from Association of Independent Exhibitors.
[106] 2nd Submission from Film Distributors Association

Addressing distribution

6.11 The Chair of the UK Film Council, Sir Alan Parker, has said that any policy designed to bolster the British film industry must be distribution led; [107]as opposed to production led policies. And the Office of Fair Trading (OFT) is currently reviewing orders from 1989 and 1996 about the negotiations between distributors and exhibitors.

6.12 The principle concerns for many exhibitors hinge on the terms of the negotiations between an exhibitor and distributor. These concerns were highlighted in the Competition Commission's report of 1994.[108] The report highlighted two practices that were found to be 'against the public interest'.

- The first was for 'alignment' – 'whereby a distributor normally offers its films to, and discusses the timing and release strategy for those films with, its aligned circuit, ie either MGM Cinemas or Odeon.'

- The second concerned 'minimum exhibition periods' where distributors sometimes 'insist on lengthy minimum exhibition periods-perhaps four weeks or longer-as a condition of supplying exhibitors with prints of popular films.'

6.13 This second practice of minimum exhibition periods was felt to have an impact particularly the single screen or non-multiplex or chain cinemas 'reducing their freedom to respond to consumer demand.' As a consequence of the 1994 report, Parliament acted to restrict the practice; since 1996, a distributor is no longer allowed to insist on a screening time of any more than two weeks, within the first six weeks of release, or one week outside of this six-week period.[109] However, this order is being reviewed; as was illustrated earlier with the example of *Hulk* or *Charlie's Angels*, a film's shelf life at a cinema can often be limited to less than six weeks.

6.14 Not only did the CEA think that analysis of the Competition Commission in 1994 'probably still correct' but it also considered that in fact, 'the power of distribution has increased in recent years, because of the number of cinema screens wishing to obtain films throughout the country, not just London, but throughout the country.'[110] When a handful of companies control the distribution of the majority of films, there is a danger that smaller cinemas, particularly independents, are placed in a weak bargaining position.

6.15 For this reason we welcome the OFT review and suggest that there may be some slack in the system to allow greater freedom to exhibitors to balance the perceived degree of control exerted by the large distributors. The immediate six week period after release during which a distributor is allowed a impose a minimum requirement of a two week run seems to be a little excessive in light of recent admission trends that point to a shorter shelf life for many blockbusters.

6.16 In light of the increased power of distributors in recent years, we would also encourage the OFT review to examine the additional terms placed on cinema

[107] A Sustainable Film Industry
[108] http://www.competition-commission.org.uk/rep_pub/reports/1994/357films.htm#summary
[109] 1996 No. 3140 Monopolies and Mergers. The Films (Exhibition Periods) Order 1996
[110] John Wilkinson, CEA, Minutes of Culture, Sport and Tourism Committee, 23 September 2003

exhibitors (particularly independent cinemas) and the extent to which these conditions affect film choice in London and elsewhere.

Recommendation 4

We are keen that the balance between distributors and exhibitors encourages greater choice. We call on distributors to play a full and constructive role in partnership with all sizes/types of exhibitors to increase access and diversity. We also urge greater freedom for individual managers to allow them to respond to the needs of local communities.

We therefore ask that, as part of their review, the Office of Fair Trading consider the benefits of reducing the current period in which an exhibitor is compelled to exhibit a film.

6.17 The UK Film Council's Distribution and Exhibition Fund has sought to address one of the key barriers for film choice – the number of prints in circulation. Over summer this year, it supported the distribution costs for four independent titles, including *Whale Rider*. Although the benefits will be more keenly felt outside of London, the increased supply of prints has allowed greater breathing space for these titles in London. Box office returns for these titles would suggest that they have acquired new audiences.

Recommendation 5

We welcome the UK Film Council's Distribution and Exhibition Fund as a small but apparently effective intervention which is contributing to film choice in London, and elsewhere. We ask that it be continued next year.

Digital Projection

6.18 A long-term solution to the issue of print and distribution costs may be the development of digital technology. It could allow an exhibitor greater freedom in scheduling as the films could be distributed electronically and not rely on a finite supply of prints available.

6.19 The UK Film Council has set aside approximately £13 million to set up 250 digital screens in approximately 150 existing cinema sites across the country. Film London support the development as it potentially offers in the long term 'greater choice.' The *Bfi* agreed, highlighting the potential for 'greater democracy' within distribution and exhibition.[111]

6.20 However, 'there are still economic issues that will probably guide the result'[112] and the FDA felt that the technology was at least ten years off from becoming prevalent among distributors and exhibitors. Independent cinemas may struggle, even with UK Film Council funding, to afford the £100,000 for a digital projector. Single screen cinemas may not be able to maximise their use and, of course, digital technology will still be subject to distribution deals.

[111] Amanda Nevill (*bfi)*, Minutes of Culture, Sport and Tourism Committee, 23 September 2003.
[112] Ibid

6.21 The Committee welcomes the UK Film Council's project as a necessary first step towards testing the market dynamic in this area. We would urge the UK Film Council not to neglect outer London when considering suitable sites.

Recommendation 6
The UK Film Council should consider locations in Outer London, where access to specialised films is limited, to pilot the digital screen technology.

Flagship Facility

6.22 The Committee would also like to add its support for the development of a new flagship facility to replace the National Film Theatre on the South Bank. A new facility is required to facilitate more advanced screening technology, better educational facilities and more space for the *Bfi*'s world-renowned film archive.

6.23 Such a facility would have to be in London. Amanda Nevill used the old adage that the 'the best place to put a shoe shop is in a street where there are already lots of shoe shops' and the new facility would be able to send out a message that London 'is an international centre for film.'[113]

6.24 Any such facility which could host such an impressive archive facility with the most recent projection technology would also be in an ideal position to pioneer the digital technology for the print, distribution and exhibition of films which could open up film choice and which the UK Film Council are actively promoting (see above).

6.25 Given what we have discussed in this report, we suggest that the location of such a facility should be open to rigorous debate. The assumption that it should be on the South Bank must be tested against the potential benefits such a facility could have on other parts of London. For example, the American Museum of the Moving Image in New York City is not located in the cinema-rich environs of Manhattan but in the nearby borough of Queens.

6.26 Even if a new National Film Centre is based in central London, it should play a greater role in helping to improve film choice outside that area. Representations from a few independent cinemas, for example, pointed out that the *bfi* could be working harder to ensure that its wealth of reprints wealth of reprints and retrospective are seen in Outer London. It should not always be the case that Londoners should have to travel to the South Bank to benefit from the *bfi's* treasure trove of film.

[113] Amanda Nevill (*bfi)*, Minutes of Culture, Sport and Tourism Committee, 23 September 2003.

Appendix A: Recommendations

Recommendation 1

London boroughs should recognise the value of cinemas to their communities. We believe that strong account should be taken of existing cinema provision – though not necessarily buildings – when considering planning applications.

The Mayor should also emphasise to London Boroughs the importance of pinpointing gaps in cinema provision and identifying possible sites for new cinemas in their Unitary Development Plans. In this respect, he should confirm that his Draft London Plan Policy 3D.2 about retail and leisure development in town centres, applies as much to cinemas as to shops.

Recommendation 2

We call on the London Development Agency to recognise the regenerative potential of film exhibition, not just film distribution and consider what could be done to support it in London.

We also ask that Film London, and where appropriate the Greater London Authority, use their influence to lobby for additional funding and to assist cinemas (and potential cinemas) in successfully bidding for grants from organisations.

Recommendation 3

We ask the Mayor to consider how he can raise the profile of the London Film Festival, for example through 'in kind' support.

We also ask that the Mayor explore what role he can play in expanding film choice for Londoners - either through greater support through existing GLA events or private sponsorship.

Recommendation 4

We are keen that the balance between distributors and exhibitors encourages greater choice. We call on distributors to play a full and constructive role in partnership with all sizes/types of exhibitors to increase access and diversity. We also urge greater freedom for individual managers to allow them to respond to the needs of local communities.

We therefore ask that, as part of their review, the Office of Fair Trading consider the benefits of reducing the current period in which an exhibitor is compelled to exhibit a film.

Recommendation 5

We welcome the UK Film Council's Distribution and Exhibition Fund as a small but apparently effective intervention which is contributing to film choice in London, and elsewhere. We ask that it be continued next year.

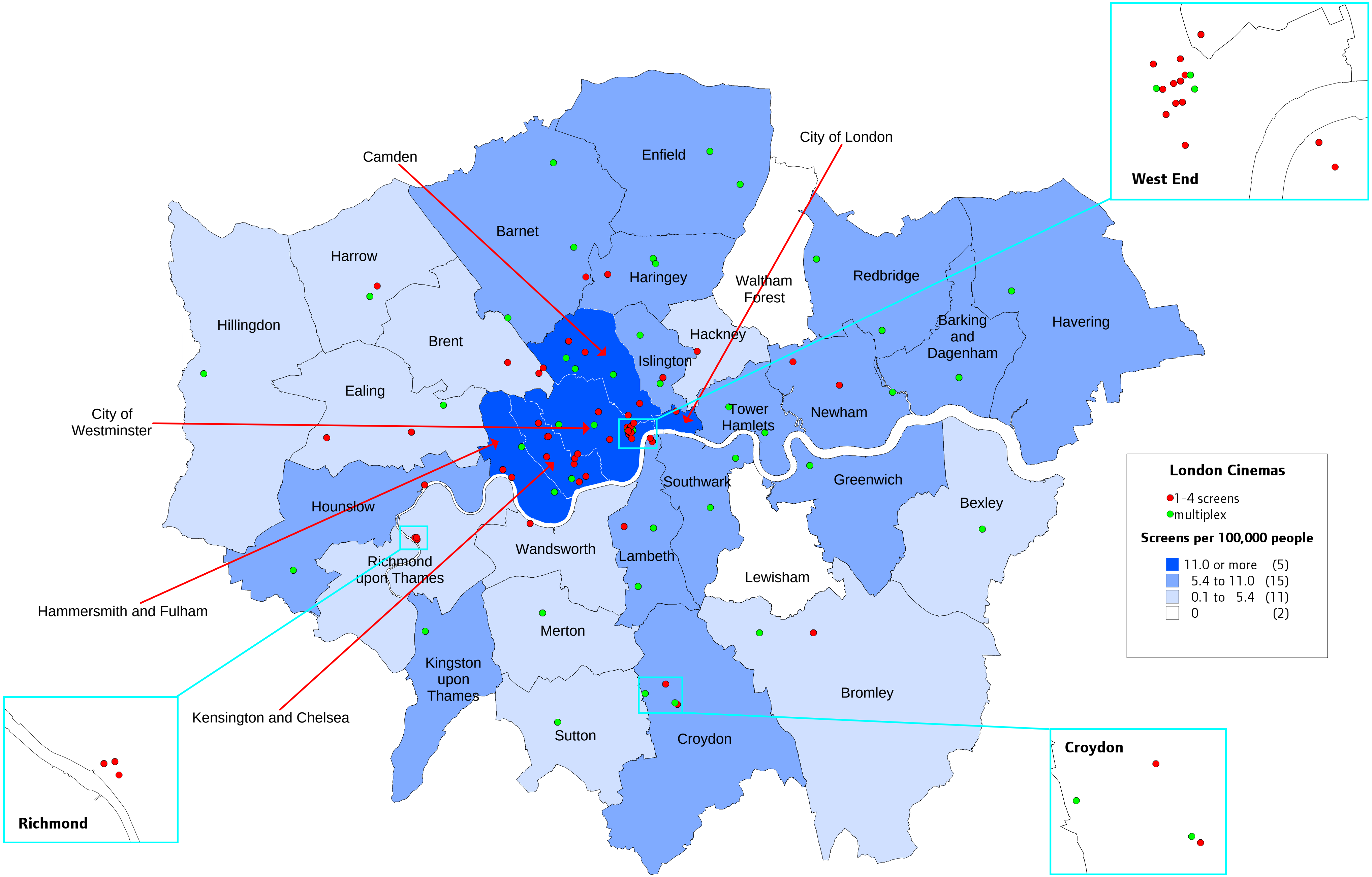
Recommendation 6

The UK Film Council should consider locations in Outer London, where access to specialised films is limited, to pilot the digital screen technology.

Appendix B: Cinema provision by London borough

See also the attached map that demonstrates the distribution of cinemas across London. According to the UK Film Council, there are 5.4 screens per 100,000 of the UK population.

Borough	No of cinemas	Screens	per 100,000
Barking & Dagenham	1	9	5.5
Barnet	4	20	6.4
Bexley	1	9	4.1
Brent	3	3	1.1
Bromley	2	10	3.4
Camden	6	24	12.1
City of London	1	2	27.8
Croydon	4	22	6.7
Ealing	3	15	5.0
Enfield	2	27	9.9
Greenwich	1	14	6.5
Hammersmith & Fulham	4	26	15.7
Hackney	1	1	0.5
Haringey	3	21	9.7
Harrow	2	11	5.3
Havering	1	16	7.1
Hillingdon	1	8	3.3
Hounslow	2	15	7.1
Islington	3	18	10.2
Kensington & Chelsea	10	22	13.8
Kingston	1	14	9.5
Lambeth	5	21	7.9
Lewisham	0	0	0.0
Merton	1	9	4.8
Newham	3	21	8.6
Redbridge	2	18	7.5
Richmond	3	8	4.6
Southwark	2	15	6.1
Sutton	1	6	3.3
Tower Hamlets	2	15	7.6
Wandsworth	1	3	1.2
Waltham Forest	0	0	0.0
Westminster	19	72	39.7
Greater London	**95**	**495**	**6.9**


West End
City of London
Camden
Enfield
Barnet
Harrow
Haringey
Waltham Forest
Redbridge
Hillingdon
Brent
Hackney
Barking and Dagenham
Havering
Islington
Ealing
City of Westminster
Tower Hamlets
Newham
Southwark
Greenwich
Hounslow
Bexley
Richmond upon Thames
Wandsworth
Lambeth
Lewisham
Hammersmith and Fulham
Merton
Kingston upon Thames
Bromley
Richmond
Kensington and Chelsea
Sutton
Croydon
London Cinemas
1-4 screens
multiplex
Screens per 100,000 people
11.0 or more (5)
5.4 to 11.0 (15)
0.1 to 5.4 (11)
0 (2)

Appendix C: The Story of a Film

Process			
Producer/studio acquires rights to film a story or treatment	**Production Company**		
↓			
Screenplay is developed			
↓			
Production finance and casting are confirmed			
↓			
Principal photography takes place, in studios and/or on agreed locations, followed by some months of post-production, editing and scoring			
↓			
Master print of finished film is delivered to local distributor		**Distributor**	
↓			
Distributor determines release strategy and release date			
↓			
Distributor presents the film to exhibitors and negotiates bilateral agreements to have the film shown in cinemas			**Exhibitor Involvement**
↓			
Distributor's marketing campaign creates a 'want-to-see' buzz among the target audience and launches the film			
↓			
Prints are delivered to cinemas a few days before opening			
↓			
Film's run extends any number of weeks subject to demand, which may be augmented by additional marketing activity			

Column 1 is courtesy of the Film Distributors Association

A film often has a distributor before filming starts and they are often involved throughout the film making process. The 1994 Competition Report highlighted that the 5 main US distributors that operate within the UK are vertically integrated with affiliate production companies in Hollywood. Aside from these companies, quite often production companies have already secured an unaffiliated distributor very early in the production process.

Appendix D: Evidentiary hearing and written evidence

Written Evidence
The Committee received written submissions from:

British Film Institute
Cinema Exhibitors Association
Cinema Theatre Association
Cine-UK
Film Distributors Association (two submissions)
Film London
Guerilla Films
Independent Exhibitors Association (c/o Ian Christie, Professor of Film and Media History, Birkbeck College)
London Borough of Lambeth
London Borough of Lewisham
London Borough of Waltham Forest
London Development Agency
Mayor of London (two submissions)
Odeon Cinemas
Office of the Deputy Prime Minster
Redbus
UGC Cinemas
UK Film Council
United International Pictures
Warner Bros

Oral Evidence
The Committee held an evidentiary hearing on 23rd September 2003. Those present were:
Amanda Nevill –British Film Institute
Adrian Wootton –Film London
John Wilkinson – Cinema Exhibitors Association
Tony Jones – City Screen & Association of Independent Exhibitors
Mark Batey - Film Distributors Association

Site Visits
Members of the Committee and London Assembly support staff went on site visits to the Rio in Dalston, the Pheonix in Finchley and spoke with Mike Thomson of UGC.

Snapshot Survey & Group Research
London Assembly support staff also conducted a snapshot survey of the films exhibited during the week August 8th-14th. Details of this research area available from danny.myers@london.gov.uk.

Appendix E: Orders and Translations

How to Order

For further information on this report or to order a copy, please contact Greg Norton, Scrutiny Manager, on 0207 983 4947 or email at greg.norton@london.gov.uk

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