

## **IFRCS33 Hana Lewis, Strategic Manager, Film Hub Wales**

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Senedd Cymru | Welsh Parliament

[Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a Chysylltiadau Rhyngwladol | Culture, Communications, Welsh Language, Sport, and International Relations Committee](#)

[Effaith Gostyngiadau Cyllid ar Ddiwylliant a Chwaraeon | Impact of Funding Reductions for Culture and Sport](#)

Ymateb gan: Hana Lewis, Rheolwr Strategol, Canolfan Ffilm Cymru | Evidence from: Hana Lewis, Strategic Manager, Film Hub Wales

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### **1. What impacts has reduced funding had on your organisation and sector so far?**

Film Hub Wales (FHW) supports exhibitors i.e. organisations that screen film, from film festivals, to societies and mixed arts centres. Working with over 285 Welsh film exhibitors, we aim to bring the best UK and international film to all audiences across Wales and the UK. We're part of a UK wide network of eight hubs funded by the British Film Institute (BFI) which form the Film Audience Network (FAN), with Chapter Arts Centre, Cardiff, appointed as the 'Film Hub Lead Organisation' (FHLO) in Wales. We also run a project called Made in Wales, which raises the profile of films with Welsh connections.

We are submitting evidence of issues facing the Welsh film exhibition sector collectively, gathered from over 10 years of working with a wide range of representative organisations. We want to talk about the impact of loss of funding but also the pre-existing absence of funding for film exhibition in Wales. Film exhibition as a sector is not routinely funded by Welsh Government. Funding is devolved from Arts Council of Wales (ACW) to Ffilm Cymru Wales (FFCW).

We work with numerous organisations that have been affected by recent funding cuts. The impact for them has been a significant, with a steep reduction in cultural programmes (see Q 2 for impact). There is also currently no regular access to core funding for film exhibition in Wales. For organisations who are not revenue funded by the Arts Council of Wales, funding is often short-term with significant administration, which stifles cultural change and sustainability. Short funding cycles result in vulnerable projects, which cannot support meaningful audience

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development over the long-term and can demotivate audiences and delivery teams as staff costs are rarely covered.

From the ACW Portfolio of 81 organisations, to our knowledge, 20 of these organisations offer regular film programmes, 4 offer film occasionally. Taking a core sample of 60 FHW members (mixed arts with film provision and full-time cinemas), 43 of those sites are not part of the ACW investment portfolio. As Welsh Government also do not fund these organisations, there is a clear gap. This is particularly true when you compare available funding with other nations.

A total sum of circa £170,000 is available across FFCW and £100,000 via FHW to fund up to 285 exhibitors in Wales, including over 100 established cinemas and festivals. The average award is between £5 - 10,000 per project, meaning only a small percentage of organisations can be supported annually. Funding for film education via FFCW has also ceased completely.

Viewed alongside other regions and nations, we see that:

- Northern Ireland Screen offers £150,000 but split across just four key organisations, meaning an average award of £37,500 (they have two established independent cinemas in comparison to 60+ in Wales). This is in addition to Film Hub NI's Film Exhibition Fund which is comparable to FHW's.
- Scotland makes over £3.1 million available for screen (in addition to the 101.6 million of regular funding which also supports film organisations), including match funding for Film Hub Scotland, film education activities and financial support for the distribution of Scottish films.
- £6.5 million accessible via the BFI Audience fund, offering awards of between £20-200,000 with some English cinemas and individual films receiving awards of over £150,000.

Across the UK, organisations with access to additional funding can level up, while Welsh organisations are unable to. Funds outside of the BFI to develop and sustain effective audience development for independent cinema are limited. Film is often seen as a commercial art form, making it difficult to source investment, particularly from trusts and foundations where there is expectation that the BFI can offer funding. Cinemas often have to over-deliver on insufficient grants, to meet audience expectation, whilst also meeting increasing reporting requirements from funders, which leads to burn out.

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## 2. What measures have you taken in light of it, such as changing what you do and how you do it?

As outlined, FHW has a modest sum of circa £100,000 from the BFI via the National Lottery annually to support film exhibitors with the development of audience facing projects. These projects are not just creative in scope but often designed to reach new customers, sustain income and support community engagement.

For FHW, as a result of diminished funding, it is increasingly crucial that we are strategic in regards to the distribution of the fund, ensuring that we consider both geographical spread and equity and inclusion. We seek additional ways to support the network, offering advice to support exhibitors with operational challenges. We develop training and networking opportunities, we seek fundraising and develop additional projects, we share information and resources – all essentially shaping our annual programme to plug gaps that form across the exhibition landscape. Our project has grown exponentially over the course of 10 years but still operating on the same level of resources. From the initial aim of delivering of a funding programme, we have become Welsh exhibition specialists that aim to support a national sector with day-to-day operation.

For the organisations we work with – they also have to do much more to unlock the same or less amounts of funding. Funding and reporting criteria have become more complex and audience expectations increase, while staffing numbers and audience numbers decrease.

Multiple mixed arts centres have moved from full time to part time provision, meaning:

- Redundancies / restructures / loss of skilled staff,
- Reduced hours of operation,
- Having to use limited reserves and / or function with larger deficits.
- A move to more mainstream provision, with fewer opportunities for Welsh communities to access cultural services.

Independent cinemas offer far more than just film in 2024, they are often the heart of the community – supporting with wellbeing and local services. Cuts follow a prolonged period of difficulty arising from the cost of living crisis, Brexit and Covid. All of which have affected venues ability to generate earned income. Exhibitors are having to reimagine their business plans and increasingly offer

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more to the customer for the price of a ticket, or offering free entry to support wider access but with less funding to cover increasing supply costs.

Many venues in Wales also have one screen, meaning that they have to make difficult choices to accommodate multiple artforms and community activities, whilst also making enough income to cover the costs of operation. If a venue wants to screen films 'on date' i.e. as soon as they are available, the distributor may require all screens for a two-week prime time run. While this may be feasible in a three-screen urban venue, for a one-screen rural venue, the audience may not be sustainable beyond one- three screenings. Where an independent film is available during that run, the venue may not be able to accommodate any other screenings, or risk losing the new release. This significantly reduces access to culture on screen and can be financially damaging for the venue. A film can cost up to several hundred pounds or 35% of the box office. They must work hard to negotiate the best deals for that locality, knowing how many tickets they can sell and whether they can make a return. On average, a venue may only keep 20-30p profit per cinema ticket after fees, overheads and tax. With cuts to funding, these choices become even more difficult for the venue and they may have no choice but to take the mainstream option.

### **3. To what extent will these impacts be irreversible (e.g. venues closing, or specialist skills being lost rather than a temporary restriction in activities)?**

Many Welsh cinema organisations operate culturally significant buildings, some having over 100 years history of cinema and / or arts provision in Wales. Cinemas such as the Royal Tenby Playhouse (which is now a Poundland) and the Monico Cardiff (which was replaced by a block of flats) are still remembered by their communities. These decisions are of course irreversible and that history cannot be recovered. The meeting place for that community is lost. Volunteer groups are attempting to rebuild lost cinemas like the Luxor in Llanfairfechan because cinema remains as one of the most popular and accessible family activities.

Many cinemas sit along the coastal paths in Wales and generate income for rural communities across the year. The loss of income to those towns and villages would be catastrophic. As outlined, if we lose these sites, we lose more than a cinema. In the case of a cinema like the Magic Lantern in Tywyn, they support local young people to develop careers in the industry, with some of those people continuing to work at the cinema long-term. They also offer a range of community activities such as opening up the space on holidays, to welcome in vulnerable community members.

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Film exhibition is supported by many unseen specialist skills from film programming, to projection, education, finance, marketing and / or community outreach, organisational / project management and customer facing roles. As we have seen previously, it is likely that these people will leave Wales to find work in the arts across other regions of the UK. This presents increasing difficulty for organisations attempting to recruit staff into roles when they do become available and we see staff in posts for longer terms, with limited opportunities for progression.

The loss of cinemas also presents a real danger for the production sector. With Government investment made annually into the production of films via FFCW and S4C, these independent films need to support to find routes to Welsh audiences. There is no centralised online space to discover stories from the Welsh screen industry and no fund to support the centralised marketing or distribution of these releases. Cinemas still play a key role in reaching communities, also connecting young creatives to talent. Audiences can see themselves and their country on screen and other countries can as well, which is beneficial for the screen industry and nation as a whole. In Ireland, Screen Ireland are working with Usheru on their Home for Film platform to promote Irish films internationally. At Telefilm Canada they host Seeitall, a service which lets users find out where they can see Canadian films online or in cinemas. These platforms enable audiences to access home grown content, also driving traffic to cinemas and generating income for smaller releases.

#### **4. What interventions would you like to see from the Welsh Government, beyond increased funding?**

Policy: There is a historical, unequal, weighting of the film chain that needs to be addressed. Exhibition has historically been absent from Welsh screen policy. New large-scale media or production schemes are released without consultation or budget for exhibitors to respond. Exhibition needs 'lifting up' in the value chain and advocating for, directly to Government, as an indispensable direct link to audiences, community well-being and the economy. Space should be made for exhibition viewpoints within policy discussions, ideally inviting multiple contributors and ensuring that those views are recognised. Major screen events / schemes must allow time for consultation with screen partners, reducing the sense that a small number of gate keepers oversee both funds and sector decision making.

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**Skills:** Focus remains on production and development. In 2021 funding for exhibition though a major known skills provider was just £20,000 for the entire UK. This has since reduced to no investment at all, though they do open their bursaries to exhibitors. In 2020 in Wales, a major skills census was undertaken for production-based roles only. Skills audits or schemes to address 'gaps' in the screen industry regularly address production only, meaning exhibition is excluded from data collection and staff have fewer opportunities to upskill. We are unaware of any Wales based exhibition focused skills funding outside of Film Hub Wales, which operates with a budget of just £5000 in total per year. The ICO offers UK wide training opportunities, alongside BFI FAN, which on average would train 2-4 Wales based staff via one - two courses per year.

**Data:** Gaps in data collection methods limit our understanding of cinema going in Wales. Smaller exhibitors are not able to use centralised systems such as Comscore, excluding them from the UK box office picture. In some cases, data is considered sensitive or irrelevant to strategy and not shared at all. The Swedish Film Institute publishes sector data annually, including both cultural and economic indicators. At Screen Ireland, domestic insight data is available on their website, including top performing films and market share. This data could be used to tell better stories about our screen sector and support exhibitors, filmmakers and distributors to develop stronger audience strategies. Limited audience research is undertaken into the behaviours and interests of Welsh audiences. We need to explore more sophisticated platforms that can collate intelligent data and help to shape Wales' story, as well as making more informed decisions about funding and productions. There should also be joint funding surveys that engage audiences without tokenising and support the establishment of data benchmarks, as many funded applicants have to amalgamate separate funder surveys, leaving gaps in data.

**Capital:** There is a lack of capital investment available, meaning that venues struggle to fund changes in digital cinema technology or buy kit for community screenings. Audience expectations are for technologically developed, cross-platform approaches to cinema.

**Environmental change:** Lack of capital funding also affects their ability to reach net zero targets as many operate from within culturally significant buildings which require regular upkeep. The majority of environmental schemes in the screen sector, currently support production only.

**Marketing and Distribution:** There are no Wales based distribution companies working to sell Welsh films and no centralised marketing funds for Welsh film. If we want Welsh and global audiences to be engaged with Welsh culture and to

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spend in their local spaces, they have to know that it exists. If we want a global reputation for Welsh screen, with economic benefits, we have to address these structural barriers. This is a complex issue and we can supply further information on this in relation to the work of our Made in Wales project if required.

**5. To what extent do the impacts you describe fall differently on people with protected characteristics and people of a lower socioeconomic status?**

Structural inequality is present in the screen sector, whether that is in reference to staffing, governance, on screens or beyond. Short term and reduced funding results in insecurity, limited solutions, tokenistic changes and inconsistent offers across capacity building, project delivery and audience experience.

As discussed, organisations that are operating with funding cuts, are forced to reduce the services on offer. For some, this may mean they lack the resources, knowledge and staff with lived experience to make significant change for minoritised communities. FHW has supported a number of important initiatives for Black and ethnic minority communities, that have moved from annual to biannual events. Some have relocated to other regions, reducing their offer in Wales and others have ceased trading altogether. This has a direct impact on level of access for diverse communities across Wales.

Referring back to the issues surrounding cinema going during Covid and the cost of living Crisis, these barriers still present challenges, particularly for Black, Asian and other ethnic audiences who have been disproportionately affected (see We are Parable research) as well as audiences with socio economic barriers. The price of all public services has naturally risen and cinemas have attempted to respond by offering free tickets, pay-what-you-feel and other services such as food banks, or free meals in partnership with the local councils or charities – all of which have a cost to the cinema. In terms of on-screen representation, a reduction in services has also meant fewer independent films shown, which can lead to decreases in the number of stories that meaningfully represent global communities, languages, cultures and instead focus on white-led filmmaking.

In terms of industry, stories have been shared about the lack of safety in the screen sector, poor practice and working conditions. Routes in to screen roles and opportunities can also still be reliant on who you know, middle class codes or gate keepers. White ableist ways of working need to be overhauled. We need to make cinema appealing to our next generation of filmmakers and exhibitors. Representation at skills events or conferences can be challenging for exhibition

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because those skills are not widely presented as career pathways for young learners. A health audit is needed, and structural change required. This requires buy in from all parties and commitment to real change. Cultural inflexibility and traditional ways of working are slow to adopt progression and many people are in roles of power for too long. See our dismantling structural inequality in cinema guide for more context.

From 2017-23, FHW also ran the Inclusive Cinema project, a UK wide initiative which aimed to support diversity on screen, behind the camera and in the audience. As well as offering access to one-to-one advice from the Inclusive Cinema Manager, we created a host of events and resources from working-class to trans loving care guides, also adding hundreds of wider resources to the inclusivecinema.org site. The project funding was cut by 100% in 2023 during the development of the new BFI Screen 33 strategy. We maintain our commitment to inclusion but have no Wales or UK wide system in place to support a coordinated approached to access.

**6. Do you have any other points you wish to raise within the scope of this inquiry?**

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