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Report of: Director of Arts **Author:** Robert Rider, Head of Cinema	**For Information**

Summary

This report provides an update and overview of the Cinema department's current strategy and planning, in the context of the Centre's vision, mission and Strategic Objectives.

The Centre's Strategic Objectives provide the basis and framework within which the Cinema department operates, and enable it to contribute to cross art-form initiatives inside our own venues, as well as part of the Cultural Hub and within East London.

The Report examines current internal developments, including our strategy around film new release and arts projects programming; our work with the Creative Learning team with young people, families and the Guildhall School; off-site activity, and the focus on diversity (section 1). Externally, there have been major developments in the UK film industry exhibition sector over the past year; these are summarised (section 2) with a particular emphasis on those which have implications for Barbican Cinema, and the challenges and opportunities that these developments provide.

Programming in 2016 provided many outstanding achievements, including the Royal Shakespeare Company film season and the Silent Film and Live Music Series, and an overview of the past year's programming is provided (section 3), together with developments in press and marketing, fundraising, and Strategic Plan innovations such as 'relaxed' screenings and day-time hire. Our programme planning for 2017-18 (section 4) revolves around the Centre-wide 'Film in Focus' theme for 2017, and the Centre's 'Art and Change' theme for 2018.

Throughout the year we have continued to develop our mixed economy – box office income from bothnew release films and curated arts projects, screen advertising, fundraising and entrepreneurial activity, as well as support from a large number of industry and cultural partnerships.

The report is divided as follows:

1. Internal Context and Strategy
2. External Context - State of the Cinema Industry
3. Overview and Highlights of 2016/17
4. Programme Planning 2017/18 *(non-public section)*
5. Current Challenges *(non-public section)*
6. Conclusion *(non-public section)*

Appendices:

- Appendix I – Cinema Financial Summary 2016/17 *(non-public section)*
- Appendix II – Financial Summary: 2015/16 and 2016/17 Comparison *(non-public section)*
- Appendix III – Income from Top Ten New Releases 2016/17 (1 April '16–29 Jan '17)

Recommendation(s)

Members are asked to note the report.

Main Report

1. Internal Context and Strategy

1.1 The Barbican's Vision is 'Arts without Boundaries' and our mission is to be a world-class centre for arts and learning'. Within these over-arching objectives Cinema's messaging remains a commitment to provide 'The best international new releases, talks with filmmakers, major curated seasons and to lead in the presentation of the performing arts on screen'.

1.2 We invest in the artists of today and tomorrow creating a platform for independent directors and working with a variety of international film festivals and arts partners.

1.3 Working with the Creative Learning team we showcase the work of young programmers and filmmakers and collaborate with the Guildhall School of Music & Drama.

1.4 Through our activities we hope to inspire more people to discover and love the arts. We programme free off-site events in east London, offer reduced price tickets to 16-25 year olds through the Young Barbican membership scheme and special student ticket prices.

1.5 We have welcomed families for over 30 years to Framed, our Saturday morning film club, and present regular Parent & Baby screenings of the best new release titles.

1.6 As part of the Strategic Plan we ensure that all of our programming meets the plan's objectives. Cinema is one of the key elements in driving cross-arts programming at the Centre, as we are able to complement and illuminate projects in other arts areas (see 1.9).

1.7 In our New Release programming we strike a balance between art film and commercial cinema. We offer audiences a wide breadth of films including mainstream blockbuster titles, whilst also programming smaller independent and art-housefilms that have a niche appeal.

1.8 In its crossover between new releases and arts projects, Barbican Cinema is unique; no other London cinema offers this balance between the arts and mainstream programming.

1.9 We continuously look for opportunities to bring our core Cross Arts strategy to the New Release programme with films that connect with Music, Theatre and Visual Arts audiences. We also continue to develop a strong repertoire of Performance Cinema. In this last year we have filtered out the Performance Cinema events which were not performing strongly (such as ENO) – and have added new projects, both live events (such as the 'Discover Arts' gallery tour series) and recorded 'encore' screenings (such as National Theatre encore presentations). Our Performance Cinema programme is not static, but is continually monitored and tweaked to ensure maximum audience admissions and income.

1.10 Our repertory and special events programme provides the opportunity to reach a more specialist cinephile audience, and enables us to work consistently across the arts. As with Performance Cinema, we monitor all arts projects, and adjust our offer to ensure maximum audience take-up. For example, the 2015 East End Film Festival was highly demanding in terms of staff and marketing resource, and did not deliver the audiences required to achieve our targets, and was dropped from our programme in 2016.

1.11 We also maintain a balance between accessible and more demanding programming. Our seasons are meticulously researched in order to deliver world class programming, and strong thematic strands run through all our arts programmes. At the same time we ensure that our offer is accessible to the widest possible audience.

1.12 In line with Centre-wide objectives, diversity is a central core of all our programmes.

- This year we have incorporated more programming that provides positive representations of women, gay and trans people, as well as ensuring that we are engaging with as many nations and cultural groups as possible.
- We work with partner organisations that extend our audience reach, broaden and enrich the tone of the programme, and improve diversity both on screen and in the curatorial voice.
- For our major 2017 project What London Watches, we appointed an Advisory Panel of film specialists that reflected the breadth of London's diverse communities and minority groups.
- We have now adopted the 'F' classification, which provides audiences with a basic awareness of the degree of female participation (women directors, actors and production crew) in any film. The criteria for the 'F' stamp of approval are: Does it have a female director / Is it written by a woman / Is, or are there, significant women on screen in their own right?
- We have established an ongoing series of 'Relaxed Screenings' that are specially tailored for audiences who may be on the autistic spectrum, have Tourette Syndrome, anxiety, sensory difficulties or other learning impairments (see below 3.22).

2. External context - State of the Cinema Industry

2016 has seen a number of significant changes in the UK film industry, many of which have repercussions for cinema operation at the Barbican.

2.1 Film Distribution

- The film distribution sector is in a state of flux, as the traditional sources of income (cinema exhibition and DVD/Blu-ray) become less lucrative. Some distributors have established Video on Demand (VOD) arms to derive income from home streaming of their product.
- The number of distribution companies has increased, and in parallel, so has the number of films released in the UK. This increase in supply has meant that there are more distribution companies bidding for films from producers, thus increasing the prices that distributors have to pay, whilst at the other end of the chain, the increase in the number of distributors has put them in a weaker position in relation to cinema exhibitors, who now have a wider choice of films for their cinemas each week – this is beneficial in terms of our programming choices.
- This increased competition amongst distributors led to the collapse of one leading independent distributor (Metrodome Group) in August 2016. This was both significant and a setback for arthouse and cultural cinemas such as ourselves, as Metrodome had been one of the few distribution companies which continued to specialise in independent and foreign language film.
- In the light of these pressures, distributors have continued to increase their film rental charges to cinemas. Film rental charges are based on a percentage of box office income, and our average has risen from 43.5% in 2014-15 to 44.7% in 2016-17.

2.2 Number of films released

- It was reported last November that the UK was on course to release 900 films in 2016 (the figured has hovered around 500 for several years), but attendance figures for the UK remain static.
- Despite so many films being released, Hollywood blockbusters, superhero and action films (especially franchise sequels) continue to dominate the market, and the top 50 films (mostly Hollywood blockbusters) accounted for approximately 50% of UK Box Office income. The remaining 50% of income was shared by the 850 other releases.

2.3 Foreign language films

- Foreign language films are gradually being squeezed out. There has been a consistent drop-off in the last 10 years. In 2006 foreign language films represented 4% of total UK box office income, but in 2016 represented just 2% of income. Interestingly, of this 2% in 2016, an impressive 1.3% was achieved by Bollywood productions - leaving a mere 0.9% for non-Bollywood foreign language films.
- Even in France, a bastion for art-house and foreign language cinema, 2016 saw a dip in admissions for non-Hollywood product – despite a rise of 4% in cinema admissions overall.

2.4 The Grey Pound

- Older audiences are on the increase. Over the last 5 years, the 45+ audience has risen from 16% in 2012, to 22% of UK Cinema admissions, This is due in part to the increased availability of films appealing to this demographic, and this audience sector's comparatively higher disposable income and leisure time.
- Concomitantly, the 15-24 audience has declined over the last 5 years. From 35% in 2012, it now represents 29% of UK admissions.

2.5 New local competition

- Curzon Aldgate (Canter Way, E1) opened in January 2017, with 4 screens and a focus on private hires for corporate presentations, networking events and corporate parties.
- There are implications for Barbican Cinema in terms of increased high quality competition, but also as distributor Curzon/Artificial Eye may prefer to place its own films in its own Curzon venue, rather than competing for local audiences with the Barbican.

2.6 BFI2022

The British Film Institute announced in November a new 5 year strategic plan for UK film. The key headlines are:

- A new approach to funding films not necessarily destined for the cinema
- Devolving more funding and decision-making to regions outside of London
- Aspiring to greater diversity of filmmaking and audiences
- Encouraging all UK film producers to adopt the BFI Diversity Standards
- Digitising at least 100,000 most at-risk, British TV programmes
- Creating a Manifesto for Film in the Classroom, demonstrating the educational and cultural importance of the art of film
- Using the BFI Southbank programme to set agendas around contemporary issues, such as diversity and gender representation; this will start with film projects such as Black Star (an exploration of British Asian and Black British identity on film) and a year-round programme celebrating the representation of women.

2.7 BFI Southbank

- A new programming strategy at the BFI is moving in the Barbican direction. From an essentially repertory cinema, the BFI Southbank will become a new release cinema with repertory elements. Its so-called 'Extended runs' now include films on general release, not merely films connected with BFI film seasons.
- Also in 2017 it has started screening Live Met Opera and other performance cinema events.

2.8 Technology

- **3D Films** - Five years ago 3D Films were seen as the future of cinema, but are now delivering diminishing returns. In 2010 nearly 28% of UK box office derived from 3D films, but this fell to 12% in 2015 and to just 10% in 2016.
- **Virtual Reality** – VR technology is in its early stages of development but has the potential to revolutionise the way we experience events and storytelling.

With VR, the viewer wears a headset which provides a 360º visual experience as he or she turns his/her head or looks up and down. In this sense, viewers are in control of what they see, and VR removes the final barrier between the content and the consumer. To date VR films are largely short-form and are relatively simplistic in nature – there have been no feature length, narrative films made in the VR format, although the National Theatre is also examining long-form content ideas for VR.

2.9 Home Streaming / Video on Demand

- Home Streaming has been seen as the enemy of Cinema, due to its provision of consumer flexibility and cheap prices. At present Amazon Prime and Netflix lead the competition, with Now TV (Sky's VOD platform), Talk Talk TV Store and Wuaki also in the running.
- On the arthouse VOD front, BFI Player is a curated platform, whilst Curzon Home Cinema enables viewers to watch its films at home on the same day as their cinema release.
- Edward Humphrey (Digital Director at the BFI stated: "if we didn't embrace the change to home streaming, we'd be left disconnected from an audience that is evolving in their tastes, their expectations, and their use of technology".
- 'Day & Date' releases are increasing: this is where the VOD and Cinema release occur on the same day (traditionally Cinema has had a 16 week 'window' before the DVD or VOD release). This represents a challenge for cinemas – Louis Theroux's *My Scientology Movie* was a Day & Date release. Audiences could pay £11.50 for a cinema ticket at the Barbican, or £4.50 to stream it on BFI Player. For this film we took an assertive stance to counteract the negative impact of the Day & Date release, and invited Louis Theroux to attend the Barbican on the day of release itself. This gave the film's presence at the Barbican a high profile amongst London audiences, and attendances throughout the run remained high, enabling the film to enter into our top ten for the year (see Appendix III). Such aggressive strategies however are not possible for every Day & Date release.

2.10 Cinema Pricing

- In contrast to the low price for VOD streaming at home, tickets at some of London's 'boutique' cinemas are now in the range of £14-£16, with some industry commentators arguing that prices are excessively high, and that pricing is a key factor affecting the decline in cinema admissions in 2016.

2.11 Odeon Cinema Circuit and Pinewood Studios

- The current weakness of the UK media sector was demonstrated when two great British film assets, Odeon Cinemas and Pinewood Studios, were bought by US companies. The Odeon Cinema circuit – the largest cinema chain in the UK, was bought in July by US entertainment group AMC, which is majority owned by Chinese company Dalian Wanda. Wanda is the world's largest property company, with further interests in insurance, investment and financial services, and the deal also makes Wanda the world's largest cinema chain.
- Pinewood Studios – The largest and most famous UK film studio, with a glorious history stretching back to the 1930s, was bought in August by asset

management firm Aermont Capital, itself owned by US investment bank Perella Weinberg.
- The weakness of the pound following the Brexit referendum, helped spark the Odeon and Pinewood sales, but the acquisitions throw up inevitable questions relating to the sustainability and autonomy of the UK industry.
- Commentators have asked what does this say about the UK media sector - where were the UK companies or entrepreneurs willing to invest in Pinewood, and where were the UK media sector suitors for Odeon?

2.12 Brexit

- The referendum vote is seen by many in the film industry as having negative implications. UK film producers are already finding that European partners are reluctant to commit to future projects, due to the uncertainty regarding the UK's future status as a country geographically within Europe, but outside of the EU. There could be direct implications for ourselves, as we are members of Europa Cinemas, an organisation of film exhibitors which is part of the Media Programme of Creative Europe. We receive a small award which is related to the number of European films we show each year (just over £1k in 2015). We will no longer be eligible after Brexit.

2.13 Dagenham Studios

- A major new studio complex is proposed in Dagenham, which could have positive implications for our work in East London.
- Film London is working with the Mayor of London and Barking and Dagenham Council on a feasibility study to build what could be the capital's largest film studio, based in Dagenham.

3. Overview and Highlights of 2016/17

3.1 2016/17 in numbers:

- Total number of performances: 2,892
- Number of New Release performances: 2,597
- Number of Arts Project performances: 295
- Number of Family performances: 101 (55 young people/46 parent& baby)
- Number of Access performances: 33 (9 relaxed, 24 access)
- Number of Screen Talks: 43 (including talks as part of other seasons)
- Number of Silent Films with Live Music: 13

- Total number of Admissions: 157,356
- Number of New Release Admissions: 124,656
- Number of Arts Project Admissions: 32,700
(total including Family & Access)

3.2 Seasons and Projects

- **Royal Shakespeare Company film season** as part of Shakespeare 400
  A highly successful collaboration with RSC took place in January 2016 with a season of archive screenings, talks and VIP guest introductions by Janet Suzman, Willard Whyte, Ian McKellen, Vanessa Redgrave and Greg Doran as part of our Shakespeare 400 activity.

- **Silent Film and Live Music Series** - a highly regarded programme was presented, which was reflected in increased audience numbers. We had a total of 1,580 attendees in 2015, which rose to 1,865 in 2016. Income concomitantly rose from £12,053 in 2015 to £15,271 in 2016. Each silent film screening was accompanied by live music featuring a large variety of musicians and musical styles. A particular highlight was 'The Ghost that Never Returns' with live accompaniment by Americana-style band The Dodge Bros, led for the occasion by renowned silent film composer and pianist, Neil Brand.

- **Framed Film Festival** – attendance at the 2016 Framed children's film festival fell from the 2015 highpoint – there were 1,191 attendees in 2015 compared to 669 in 2016). Despite the fact that the 2016 festival gathered strong press coverage, and the programme featured special previews, high quality workshops devised by the Creative Learning team, and a special Barbican shorts programme curated exclusively for the festival, the fall-off of 43% is cause for concern. We will analyse the reasons for the fall-off and discuss with Marketing / Press / Creative Learning in order to re-build audiences for the 2017 edition.

- **Science on Screen** - our second year of Science on Screen saw the presentation of a wide variety of films, from Frankenstein to Life of Pi, each given a scientific slant with fascinating presentations by leading scientists and researchers in the relevant field. There was an increase in box office income for the series (£3,855 was achieved in 2015, which rose to £4,671 in 2016) and another positive feature was the increased interest from school groups as a result of the financial support of our partners, the London Mathematical Laboratory.

- **Hollywood Legends -** Adrian Wootton is the CEO of Film London, and gave an acclaimed series of illustrated lectures on leading Hollywood stars of the past. We are continuing the Hollywood Legends series into the 2017/18 season, and the popularity of the series has grown with each additional event.

- **ScreenTalks**– it was a strong year for ScreenTalks, with prestigious international filmmakersappearing before soldout houses, including:
- Isabel Huppert, Oliver Stone, Richard Linklater, Louis Theroux and Frederick Wiseman

- **Human Rights Watch Film Festival** – the 2016 edition resulted in the Barbican being the most attended venue for the festival throughout London and the UK.

- **Michael Clark Company** – our collaboration with the Michael Clark Company – whilst his new show was in the Theatre – was a great success and included one feature film and two documentaries

- **Off-Site Work** – we had full houses for our family film offer during the Walthamstow Garden Party in October.

- **Valentine's Day programme 2016** – our annual look at the 'twisted side of romance' around Valentine's Day produced strong audiences for our most eclectic-ever offerings, including Hong-Kong sci-fi '2046', French love-triangle film 'The Mother And The Whore', cult rarity 'Who Killed Teddy Bear' and famed US underground film 'Normal Love'.

- **She's So Giallo season** – our May return-to-rep season produced four sell-out shows of rare Italian genre films, all screened on traditional 16mm and 35mm film prints. We noted that film luminaries such as Edgar Wright and Carol Morely were in the audience.

- **Cheap Thrills** – our main autumn film season inspired by The Vulgar exhibition in the Gallery, provided some special highlights including a debate in partnership with the Battle of Ideas, and the world premiere of a new 2K digital restoration of the cult 1960s Argentine film 'Fuego'. However, despite a vigorous marketing and press campaign, the season did not resonate sufficiently with our target audiences.1,354 people attended the 18 performances, which equates to an average attendance of 75, which is below our normal Arts Projects attendance figure (for example, our 'Return to Rep' programme throughout 2016-17 achieved an average of 122 admissions per screening). Cheap Thrills was a disappointment as the season perfectly complemented the themes of The Vulgar exhibition, and previous film projects in the 'poor taste' / B-movie genres (such as the 'Girl Gangs' and Desperate Housewives' Return to Rep seasons) had met with large audiences.

- **London International Animation Festival** – the opening Gala of the LIAF Festival included a Q&A with celebrated British animator Chris Shepherd. The festival screened 128 new films across 8 competition programmes, plus extra children's and archive screenings - including the London premiere of the new digital restoration of Japan's first anime, Momotaro – Sacred Sailors, fresh from the 2016 Cannes Classics sidebar.

3.3 New Releases

The ten most successful new releases in terms of box office income during 2016-17 were:

1.	La La Land (12A)	£57,584	8%
2	Fantastic Beasts and ... (3D)	£43,109	6%
3	Rogue One: A Star Wars Story 3D	£32,151	4%
4	Bridget Jones's Baby (15)	£30,298	4%
5	Nocturnal Animals (15)	£27,417	4%

6	I, Daniel Blake (15)	£25,688	3%
7	My Scientology Movie (15)	£24,614	3%
8	Jason Bourne (12A)	£23,745	3%
9	Julieta (15)	£22,808	3%
10	Manchester by the Sea (15)	£20,418	3%

These ten films delivered 41% of our total new release income. To date, 101 new release films have been presented during the current financial year. The remaining 91 new releases provided 59% of income.

3.4 Press & Marketing

- We held a highly successful Press Breakfast on 15th September to launch *What London Watches: 10 Films That Shook The World.*
- Cinema Senior Manager Lesley Jones was interviewed by Robert Elms on his show on BBC Radio London for What London Watches.
- London Live TV broadcast a feature from the 'What London Watches' press launch interviewing Robert Rider and other outreach partners: *"the Barbican centre...all part of their Film in Focus initiative which celebrates the power of the moving image...a unique event, What London Watches: 10 Films That Shook The World"*
- Framed Film Festival had a strong showing in 2016, with much positive preview coverage across adult and children's press:
- TimeOut.com recommended Framed Film Festival in The Best Film Events in London: "*This year's films hail from as far afield as China (musical cartoon 'Rock Dog'), Switzerland (colourful animated adventure 'Molly Monster') and Norway (dairy-based adventure 'Louis & Luca: The Big Cheese Race'). But we like the sound of French-Canadian story 'Ballerina'* "
- The Green Parent website recommended our Framed Film Festival in it's *Five Things To Do With Your Family This Weekend*: *"The yearly Framed Film Festival at Barbican in London is a celebration of children's cinema from around the world, combining carefully-chosen screenings with inventive film-related workshops. We're particular fans of their pick 'n' mix showings of short films"*
- UrbanExplorer.com listed Framed Film Festival in its pick of the Top Ten Things To Do With Kids In London This Weekend, calling it "*A veritable Venice for mini moviegoers, Framed Film Festival at the Barbican cherrypicks new children's films, this year including hot-ticket animation Ballerina and a round-up of shorts. Alongside a programme of screenings, there are film-inspired foyer events where little ones can enjoy a magic lantern show, and be inspired to create a projectable slide."*

3.5 Fundraising

- We have been awarded several pieces of funding across the year from Film London, totalling £6k. This included £3k towards a community research and outreach producer for What London Watches, and £3k towards our Off-site activity in Walthamstow
- We received £10k from the European Parliament to present the Lux Prize finalist films.

- We received €1,300 from Europa Cinemas to support the screening of European films

3.6 Development

- With the Development team we have built on our existing financial relationship with screen advertising company Pearl & Dean, which expressed an interest in working as a 3rd party brand sponsorship agency for us. With Development colleagues we have devised an outline of what such a relationship could look like, and how the client approaches would be managed. Pearl & Dean is now actively looking for opportunities to bring brands to the Barbican across selected cinema activity, on behalf of the Centre and with full consultation from Development. This is a new and innovative commercial model for the Centre and, given the unique relationship that Pearl & Dean has with brands which want to connect with Cinema audiences, we are hopeful that it will generate sponsorship for a mainstream consumer market that we have very little access to at present.

3.7 Technical

- The Projectionists team is now part of the music technical department, and all is going well.
- A new digital projector was installed in Cinema 1 in December 2016. The new projector greatly enhances the film presentation capabilities due to 4k resolution, brightness and image quality. Also reliability is enhanced and we have long term maintenance support for this state-of-the-art projector.
- In Summer 2017 we will complete necessary Health & Safety works in the Cinema 1 roof area and on the masking system. There will be safe access for rigging from the gantries and new safe access to the cinema speaker positions behind the projection screen. The masking system will be completely overhauled, having been in place since the 1980s. New motors, drives and control panels will be installed alongside a new screen surface.

3.8 Strategic Plan Innovations and Entrepreneurial Activity

- Diversity – we pioneered the concept of cinema *Relaxed* screenings for adults with autism, asperger syndrome, tourette syndrome and other impairments, and introduced a regular programme reflecting our new release and Performance cinema offer.
- We are setting up day-time matinee strands for theatre and gallery shows. We are building on the legacy of the successful RSC film season in January last year, that demonstrated the potential audience looking for daytime cross-arts activity. These cross-arts matinees are scheduled to start in September, thus enabling our marketing colleagues sufficient time to build a campaign to support them.
- We have given a specific focus to gender balance within the programme as response to both our own diversity objectives but also to a wider debate on the issue throughout the film sector. As mentioned above (1.12) the F Rating has been brought into the programme to identify films that are written or directed by a woman or that feature a strong central lead performance by a woman.
- We are currently devising a cohesive model to explore the income opportunities presented by day-time private hires of the Beech Street

cinemas. In order to take the model forward, a meeting will take place in late February with the key internal stakeholders (Technical, Customer Experience, Business Events, Cinema) to examine the following areas:

- The potential market for daytime use
- The budget implications of extra staffing for daytime activity and analyzing the potential income margins
- The scale of activity that may be achievable
- The division of responsibility between the Cinema and Business Events teams
- Ensuring that Beech Street cinemas are fit for purpose for the potential clients
- The marketing of day-time private hires and screening opportunities within the existing sales portfolio,and establishing ourselves in competition with existing small and mid-scale screening houses

- Ticket prices have been increased from April 2017. Arts Projects prices will increase by £1, new releases by 50p.

Public Appendices:

- Appendix III – Income from Top Ten New Releases 2016/17 (1 April '16–29 Jan '17)

Non-Public Sections and Appendices:

- Section4: Programme Planning 2017/18
- Section 5: Current Challenges
- Section 6: Conclusion
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