Paul Webster, 23/04/12

Paul Webster was Head of FilmFour, 1998-2002

Interviewers: Justin Smith and Laura Mayne

JS: What was the landscape of the British film industry like when Film4 was re-launched under Michael Jackson and yourself? You uniquely worked with Palace and with Working Title for a bit, so in a sense you were the first person to occupy that Head of Film role that actually came from the film industry.

PW: Yes that's true, David Aukin was from theatre and David Rose was from TV.

JS: What was the kind of world Channel 4 created and what was their relationship like to companies such as Palace and Working Title?

PW: All in all very good. The first feature film I ever worked on was a 1985 film called 'Letter to Brezhnev'. It wouldn't have existed without Film4, albeit not in the David Rose guise, it had nothing to do with David Rose actually, it was to do with the foreign sales side of things and they'd come in and pumped some money in and we at Palace bought the UK rights and I, somehow, became very involved in production, mainly post-production.

But without the good offices of Channel 4 at the time, it never would have seen the light of day, and during the 80s if you were making any kind of independent movie in the UK it was vital to have Channel 4/Film4 (called Channel 4 Films at the time) involved.

At Palace we were at the forefront of the independent sector and the new thinkers in the film industry. The relationship was very close with David Rose and Carol Meyer who ran the sales side of things, they were fantastic to work with. I think that followed under David Aukin- it was a creative model, not an economic one.
When I started at Film4 the brief was very much how to make it into a business, the interesting journey was as they realised they had some economic power. It had the trappings of a business under David Aukin but nevertheless he didn't have to answer to any economic brief whatsoever, so there was a slight contradiction there. At the time David was working under Michael Jackson for a little while and I remember Jonathan Olsberg was commissioned to do a breakdown and an analysis of Film4's strengths and weaknesses. David basically refused to answer any question he was asked about the economic value of anything he did, because he argued that I have a solely creative brief, which was fantastic.

JS: A wonderful vacuum to exist in!

PW: Yes and he exploited it and occupied it very well. So in those first sixteen years I was involved with Channel 4 Films quite a lot, firstly with Palace and then with Miramax. At Miramax we had a huge relationship with David Aukin including films like 'Trainspotting' and 'Brassed Off'. Once I'd joined Film4, I kind of reciprocated and carried on the relationship with Miramax.

JS: And that kind of culture of looking after and seeing films through, from putting deals together to sales, we have gained a sense that this was extremely important to the lifeblood of organisations like Working Title. I think David Rose said to us when I started, there wasn't an independent film industry in this country. In a sense Channel 4 created it, they weren't it, but they created it.

PW: Channel 4 were the spark that created the independent sector yes. Take for example 'My Beautiful Laundrette', a Working Title film. It was their first breakout hit and was originally intended to be a television film, in fact Stephen Frears wanted it to be broadcast and not released.

JS: It was filmed in 16mm …

PW: That's right. As a result of the screening at the Edinburgh Film Festival, I think Tim Bevan and Sarah Radclyffe at Working Title pushed to theatricalise it, all to the good of Channel 4 at the time. They applauded that, the master stroke that Jeremy Isaacs, David Rose and Walter Donahue had pulled off was to make Film on Four, the monthly transmission of a Channel 4 film basically becoming their drama slot. So they kind of fulfilled two roles rather brilliantly and kick-started the British independent film industry in the 80s (which was moribund) by satisfying the needs of the channel for drama.

But in so doing I think they planted the seeds for problems later on in the relationship between the channel and Film4. The more successful a film becomes, the more you're using up the potential TV audience. Then the more you exploit it in other mediums, like cinema, video at the time, DVD, the more you are pushing back the transmission date, so ironically the films that Film4 were making by the time I was there were of little value to the Channel itself. The channel needed premieres and by their very nature, the theatrical films we were making couldn't fulfil that need.
Coupled with the fact that film's importance as programming in television had begun to recede under Michael Jackson, and the rise of factual programming, film was pushed to the margins. Part of me thinks that both BBC and Channel 4 tolerate their film divisions now, they have them under sufferance because they are mandated to do so: Channel 4's Charter and the BBC's mandate are similar, they have to support film. It's an uneasy relationship and I think you'd have to talk to Tessa Ross to see how she's done really, she's done phenomenally well and I think that her success will have made Channel 4 look good. I think I had the more difficult kind of transitional period when I was trying to make an economic case for Film4 as a stand-alone company and to lessen the ties with the mother ship. Ironically this made us less valuable to Channel 4 at the time.

JS: Was that Michael Jackson's vision? Did he come in with that brief and say Paul, I want you to do this job?

PW: No, I think it arose out of conversations we had together but it was his vision that Film4 became a profit centre. I said if you want to make money then we have to start running it as a business. So what David Scott, Michael and I agreed on is that if you're going to have a UK distribution company you can't rely on your self-generated product, it's not possible, you can't run a distribution company that releases just 10 British films a year. You've got to have an acquisitions policy, you've got to buy films for distribution in the UK. We then streamlined the company a bit and the next step was to unite the company so we occupied the same physical space at Horseferry Road.

JS: It's like the psycho-geography of television, different from film.

PW: That's right! He said fine, we can't possibly put you together so we'll buy a building (they bought one on Charlotte Street), which created literally and physically a vertically integrated company. The interesting thing with hindsight is the inbuilt contradiction of what we were doing was. We were tied to the channel because we took their money and turned them into movies, but we were interacting with the business at large which David had basically blazed the trail for. Given that we were in the business of making films of some kind of commercial reach meant that you had to be part of the financing picture of films that were more expensive than Film4 could afford to fully finance.

Inevitably what happened on the larger projects like 'Birthday Girl' (Jez Butterworth) was that it became too big to finance, we ended up being the minority financier and therefore the minority voice on our own films. If we had stayed within the comfort zone of the television station, we could have continued to export films that we could control and therefore probably control the distribution destiny of them. We may have been better off. The problem in that regard though was Michael wasn't interested in Film4 producing lots of little British movies which nobody went to see, he had larger, international films.

The British film (which is very healthy right now) had the highest ever market share last year since probably the 1930s. Normally a British film would occupy between 14%-20% of the UK box office, so along with everybody else in the British film industry, you're always in a minority business in your own back yard. The desire of the channel was for critically acclaimed films, whilst the programmer would want bums on seats. So, early on in my tenure we got it right with the movie 'East is East', the first commercially successful movie with East Asian people, and nicely low budget as well. We controlled the finances and had a hit, it ticked all the boxes which is a difficult thing to deliver, time after time. There is no pattern to the low budget British breakout picture in the last fifteen years- it's just luck. I saw 'The Full Monty' at Miramax and passed on it, somebody else at Fox didn't, they made the movie and a fortune.

JS: Channel 4 passed on it as well.

PW: They did. You couldn't have a film company that made films in the comfort zone of Channel 4 that could in turn be commercially successful, so we were in a difficult position and always had a compromised brief, for which I take quite a lot of responsibility. The other thing was, they had Independent Film and Video, which was a very interesting strand of Channel 4. Michael said 'I want you to take it over'. I said absolutely but on one condition, it doesn't appear in our P&L and it's not anything to do with making a profit because their movies will not do that. We brought in Robin Gutch who is brilliant and continues to be brilliant, one of my heroes in the film business sector, and started making lots of little movies which sucked up a lot of our time and energy, and of course their numbers hit our bottom line as well. The Channel didn't honour our agreement. We had a bit of a poisoned chalice at Channel 4 which was further complicated by our ambition to be much greater than our resources.

One of the first things Michael and I did when I joined the company was to sit down with Michael Kuhn, who at that time was just coming out of Polygram. We asked him what he thought we should do and he said you've got £34m or whatever it was, you need to raise ten times that, otherwise you don't stand a chance, you can't make a noise in the marketplace with £34m. Of course, we didn't have anything like the resources nor was there any kind of appetite from our owners to raise that kind of capital. So you had this profit driven company which couldn't really ever make a profit, it was destined to fail in that regard. But what it did do of course, when it was finally dismantled in 2002, was lay the way for Tessa Ross to come in and take over, once again restoring the non-profit, non-economic brief which is absolutely key.

The money that comes from British film sources: Film4, BBC Films and now BFI, is essential to the lifeblood of British independent cinema. Film is too expensive for an artist to produce in his garage and therefore, you have to have some kind of industrial aspect to it and it costs. So then the only way it can work is to have benevolent organisations like Film4 to say, okay we don't care about the money, we'll do it for the art anyway- which is what Tessa does. Tessa does care about the money sure, but ultimately she's the artist and the value of that may not be that great to people in the corridors of power at Channel 4, but I think in the film industry at large it's resonated forever.

I think the results are there for all to see, I would argue right now we have more world class directors in the UK then we've ever had, a great diversity of talent, fabulous actors, we've always had great actors but we continue to do so, we continue to grow them and it continues to consolidate Britain's place in the film world. It's of huge economic value, maybe not to Channel 4 or to the BBC but to the industry in the country at large.

LM: So you essentially had this pressure to provide films that would be commercially successful to Channel 4, but you also had this cultural commitment as well, whilst trying to provide space for new voices. Based on Channel 4's traditional film remit to provide a seed bed for new talent, how important was that to you at Film4? Was that a really firm part of your cultural remit?

PW: Absolutely, we took the cultural remit very seriously. I mean we had to streamline it a bit because it was unmanageable. For example, there was originally a pledge to read every single script that came in, which I stopped. I have yet to read a single unsolicited script that's not come from a bona fide source that's of any interest at all, and if I miss the one that breaks through then… you have to be pragmatic. It was very interesting because we did to some degree change the remit in as much as there was a guarantee under David Aukin and David Rose before him, Mike Leigh, Ken Loach, Pete Greenaway etc got their money. Mike Leigh at the time was getting finance from Canal Plus in France at the time. We tried to woo him back but failed. Ken Loach we did continue to support, with 'My Name is Joe', 'The Navigators' then 'Bread and Roses'. 'Bread and Roses' I wouldn't have supported but there was political pressure put on me to do so.

JS: Who did the political pressure come from?

PW: The Board of Channel 4, internal political pressure.

JS: So although you were this autonomous organisation with a brief to make a profit, you were answerable to that kind of editorial pressure?

PW: Yes to some degree, I mean it was never consistent and generally we were left entirely on our own. Michael Jackson was a brilliant person to work for, the reason I took the job. Quite simply he's a film buff, and wanted to have a film company. So it was kind of a little boy with his box of toys that gave us the opportunity. But just to go back to your question, we did mitigate our culture to some degree, I mean Peter Greenaway I didn't support at all and took the blast from him for that.

LM: You used to support Terence Davies?

PW: Yes absolutely and I'm very happy I did, a personal favourite of mine as a director.

JS: His work also became more mainstream…

PW: 'The House of Mirth' was his first mainstream movie if you like and that was an easy decision to make because under our funding structure for every movie we green-lit, Channel 4 gave us a million pounds for the cost of transmitting it on Channel 4.
I was able to simply say to Terence, we'll put a million pounds into your film (knowing it was paid for by Channel 4) and if you can raise the other £5m, then use this money as cornerstone finance.

The movie worked very well for us, it sold well, it featured a fabulous performance from Gillian Anderson and it was a really fine film so it ticked all the boxes. I'm sure when it came to being broadcast by Channel 4 they put it on at 11pm on a Sunday, which was the fate of many of our films. 'My Name is Joe' premiered at 1am on a

Tuesday. Not only were we competing with the film buyers of Channel 4 whose job remit was to buy films, transmit them and buy TV rights, we were also competing with the Director of Programming in a way.

I campaigned to re-establish Film on Four as a monthly 10pm slot on a Sunday, which would show-case a Film4 film. I failed miserably: it took me two years to get a meeting with the Director of Programmes, which lasted about 20 minutes and was disastrous. It wasn't a great atmosphere internally. Now senior level, people like Dave Scott, Michael Jackson, Andrew Brann and so on, no problem at all, full support, but on a day to day programming level, there was a disjunct between film production and TV production.

European broadcasters are usually mandated by Government RAI, to buy the rights for TV at whatever price. Canal Plus have to give a proportion of their turnover to film production, but Canal is a cable TV subscriber based company and highly successful as a result. So our model is a kind of weird hybrid. The other odd thing about it was in terms of cultural remit, the major relationship outside of the UK was with US companies like Miramax.
The Americans would say this is the business so let's make business together, they viewed us as soft money, just money to be taken to sort of diminish the budget on films. It was a very complicated world to operate, I think it's always difficult if you're in a position where you're dispensing funds. Particularly with funds that are viewed as public funds, in fact Channel 4's money is not public money, it's advertising based, the whole of Channel 4's income stream. I could say that a thousand times and nobody ever understood or listened, it's inexorably built into the national consciousness that Channel 4 is another version of the BBC. It was very important to keep working with new writers and nurturing new voices. I think we did a good job of that and once Robin Gutch came on board we started his little division, Film4 Lab, where he got to cover the very new voices and the uncommercial voices.

LM: Did anyone graduate from Film4 Lab to write and direct Film4s, did it operate as a sort of seed bed in a way?

PW: It would have, but it didn't have enough time to develop. If you're going to do that properly you need about a 5 year programme and it was only around for 3 years. James Watkins came through that, Jamie Thraves sort of, a very talented film maker. But when it came to guys like Jonathan Glazer or Edgar Wright, they went straight to big Film4, even though they were first-time filmmakers.

JS: How important were the deals you negotiated with Warners in the States and the Senator deal in Germany because one problem that's always faced British producers has been getting that partnership, especially in the States, and arguably if you sustain that, would that have been a lifeline?

PW: The Senator deal was hugely important because we were building a deal together, we were trying to build a structure where we could self-finance our films through these relationships. Senator paid 25% of any budget, of any film, of which 14% went against the German rights and then 11% of equity. That was an extraordinary deal, so that gave us a huge leg up, it allowed us to really have a big say in the funding of our movies. The deal with Warner Bros never really came to any fruition, we ran 'Charlotte Gray' through it. Above and beyond that nothing really happened, apart from the fact that I was able to have an office in LA which Rebecca Yeldham ran and that was extremely valuable in terms of talent scouting. We managed to find 'Motorcycle Diaries' there, without that Warner deal and that LA base we would have had nothing to do with the film. It would never have been a Film4 film and it may not have happened at all because nobody wanted to finance it.

Most of these deals you do in the film business with other companies in other countries tend to have a finite life and the Senator deal was based on the whole Neumarkt bubble, where suddenly films from companies assumed enormous value from the German stock exchange. Intermedia for example managed that kind of whole information bubble brilliantly. It ended up creating value for the company beyond belief and Senator did the same thing. But, as with all bubbles, it eventually burst and kind of all came crashing down and that's what happened to Senator. It was a short lived deal, based on speculative cash … there's always somebody in the world who's giving you silly money in film. There's always a newcomer. The Neumarkt it generated something like $14bn of German money, basically the German people's money, to fund Hollywood movies of the time.

JS: But long term it wasn't sustainable?

PW: No.

JS: Because that seems to be one of the criticisms of the project. The timescales required when setting up a project like that need to be much longer, and the terms of investment and underwriting need to have a much longer future, it was unrealistic to turn a profit in tomorrow.

PW: Yes it wasn't possible to do that. And particularly when you were in a continually minority funder of your own films which meant you had a minority share of course. The profit basis became an irrelevance.

But you know we were doing okay. There were two movies which ironically were touted as the reason the company fell apart: 'Charlotte Gray' and 'Lucky Break'. Both made Film4 a lot of money using the pre-sales model, which is basically how independent movies are made in the UK, both were incredibly successful. The fact that they didn't work at the box office is another thing. One is always dealing with this disjunct between the media perception and the business.
The thing that you have to be very good at in the film business is burying your bodies, so we weren't very good at that… too transparent.

JS: Ironically 'Motorcycle Diaries' and 'Touching the Void' which were snatched as it were from the jaws of defeat were hugely successful and great films.

PW: Yes it always seems to happen, it's a truism in film, the outgoing regime seeds the success of the next regime. We had 'Motorcycle Diaries', 'Touching the Void', 'Last King of Scotland', 'Shaun of the Dead', the list goes on. In fact, after a ten year struggle, 'Under the Skin' has just now been made which is one of the last of our films developed at the time. Luckily our legacy was a good one in terms of the projects we started. It provided the incoming management with a substantial base to work from.

JS: Channel 4 say back to the drawing board, let's do what we know and absorb film back under the cosy umbrella of television again. In terms of that relationship with television, and the creative autonomy that she now I think enjoys,

PW: And deservedly so. Because ironically I think what she has achieved over the long term is kind of what we were setting out to do. So she does 'Slumdog Millionaire', 'Last King of Scotland', and those movies are hugely successful, which means they are very valuable to Channel 4 and television in broadcast terms. What we weren't doing was delivering enough of those kind of movies and I'm sure she gets as much grief from everybody on the programming side of Channel 4 as I did, I am sure that is a constant for anybody who runs a film company that is controlled by a television broadcaster. There are no films on television now, relatively speaking, so why has the television company got a

film company? From the TV company's point of view it doesn't make sense. That may change, programming goes in cycles. I remember I used to go into Michael Jackson's office and lob in various programming suggestions of my own to him because it was quite an open environment, even though I knew nothing about television (I still don't). I mentioned some idea or other and he said that's a history programme, history never works on TV. Cut to ten years later and you can't move for the historical stuff on the box. It just changes, it goes in cycles and maybe film will come back always bearing in mind the difference with film is that its audience is exploited in multiple other medias.

JS: Were you buying for the subscription show when that started, it was totally independent wasn't it?

PW: It was completely independent of us, we just shared the same name. We weren't buying for the subscription show at all. When we bought an American movie for UK distribution we would buy all rights. Then Channel 4 would take those TV rights, so they would exploit it and as long as it was a decent movie they were happy with that arrangement, we did that with Kevin Smith's movie 'Dogma' for example.

LM: In a Guardian interview in 2008 you said the closure of Film4 was to do with a lot of factors but one of those factors was the failure of the main channel to essentially understand film financing. Could you perhaps discuss a bit more about that relationship?

PW: Channel 4 at the time (it's important to realise this is just on the cusp of the digital revolution) was acknowledging the need to embrace this new multi-channel, multi-platform world. In 1998 it was only just about to start and they'd won their argument with the ITV franchises and got full benefit of advertising income. This was a hugely successful company that was regularly turning in £350-£500m profit a year, all of which was ploughed straight back into the channel, they didn't take any profit at all, they simply reinvested. A perfect model.

Once the multi-channel world came on board, all this business where you can watch things in every different way, the advertising base eroded and so did the whole raison d'etre of the Channel. Their only coherent response to every funding crisis has simply been to go to the Government and ask for more money. So there was Channel 4, not run as a business at all, but really a very good advertising sales outfit. There was no business model at all. I had a business model, which for the reasons I've laid out it was in contradiction to what the Channel wanted. It was kind of an impossible situation.

LM: They always promised to invest more in film production if the ITV funding agreement came to an end, which they definitely lived up to.

PW: Absolutely and we're not talking about a place where blood ran down the corridors here, we're talking about a very benevolent organisation despite my moans and groans about the programming side of things, it was not a nest of vipers, it really was not. It was pretty gentlemanly and run in a mild mannered way. But I'd come from the cutting edge of the film business and it was a kind of shock to me initially how things were run, how shambolic the infrastructure of Film4 was. It couldn't possibly work if one was going to make a profit. So I set about kind of re-tooling that with the support of all the principals at Channel 4. It was in general applauded, but I think the only thing that matters is success and if I'd made loads of films which made loads of money and won lots of awards, then who knows, I could be there now. If Tessa had made a load of films which everyone thought well of but didn't make any money or didn't win any awards, she wouldn't be where she is now.

JS: What was the relationship between yourselves and Four Ventures, and were you in any sense answerable to Ventures or were you only answerable in a sense to Michael Jackson while he was the Four boss?

PW: We only answered to Michael. Then when Michael moved out and headed to America, we became answerable to Four Ventures.
But at that point the writing was on the wall, and Mark Thompson had come on board and it was clear he wasn't too interested in film side of things so…

JS: You think that was a kind of personal judgment? He wasn't as passionate about film as Michael was so…

PW: Yes, I think he made a very pragmatic decision and knew he needed to focus his energies in certain places and film was not a place he wanted to focus. You could look at the balance sheet in one way or another and you could say well okay they're losing money we'll shut it down.

JS: But Ventures as a whole was losing a lot more money.

PW: Yes of course.

JS: And to some extent film was scapegoated for that wasn't it?

PW: We were excoriated in the press, I don't care about it now but at the time it was a cause of much embitterment. There was a campaign in the press orchestrated by people within Channel 4 to besmirch Film4's name so that it became easier to shut it down. It was a very Machiavellian moment in time. I never held anything against Mark, he's a very straightforward man so he's actually very easy to deal with in a different way to Michael, but what was puzzling was the decision to shut the thing down at all. It didn't make any sense from an economic point of view because it cost a huge amount to close Film4 down and then a month later start it up again.

LM: There was a sort of deal mooted with Senator wasn't there, just as Film4 was about to close?

PW: Yes. It wasn't a real deal though, it never got anywhere. Hanno Huth who used to run Senator was fired from his own company and Senator basically went into administration. It would never have happened, we tried all kinds of rescue packages and things.

LM: It didn't work.

PW: It didn't work. They could have saved a lot of money simply by firing the management, which I said at the time, just fire us all and just keep the infrastructure and rationalise it. The one thing we did have was very high overhead: they were far too high.

LM: It was about £5m wasn't it?

PW: Yeah that's right. A lot of money! 60 people. One thing that became clear was that the UK distribution company was a loss leader. You're in the business of buying and selling movies irrespective of where they were sourced and the distribution company deal with this money, we recognised that some time before and we made a deal with Pathe, for them to distribute our films and shut down Film4 UK, Film4 Distribution. After we were being shut down Pathe assumed the theatrical and DVD rights to the next tranche of Film4 films, including 'Motorcycle Diaries' and 'Touching the Void'.

JS: I'd like to go back a little bit to talk about the kind of structures you put in place within the company, your own role within it, and how you managed that with the team around you.

PW: I always took an executive role, sometimes took a credit and sometimes not, there was always an active producer on the films. My intention was to encourage, to try and create a series of relationships with producers. In hindsight I probably would have hired a Head of Production instead of having just two development executives.

I had a very capable Head of Distribution, Pete Buckingham, a very capable Head of International Sales in Sue Bruce-Smith. They basically ran their own companies, and formed part of the management team which met on a weekly or bi-weekly basis and made the various strategic decisions that had to be made. They also took a lot of the relationship back with the parent company of the channel and away from me. The big task (apart from development and working with talent) was putting together financing structures and that was myself, Kim Ballard and Andrew Hildebrand who worked on that. We were the three people who engineered the Senator deal and other cornerstone relationships, which were all built out of our success as an international sales company, because we were very successful; sales were the profit engine of the company.

In that regard we were able to capitalise on the sales side, on the relationships with distributors. It became a much more international company than it had been before. There were a lot of good relationships with American companies, I spent quite a bit of time in America nurturing those relationships and making films together, principally with Miramax. But I'd say it was fairly chaotic, not least because I'd never run a company before and my only real corporate experience had been with Miramax, which at the time was a unique enterprise, which was run as a sort of dictatorship. My experience was somewhat skewed and I think I made quite a few fairly fundamental mistakes along the way at Film Four but, apart from having to work extremely hard at it, I found it a very exciting and inspiring time. At its peak we had a staff of 60 people- quite a large operation.

JS: Too many?

PW: Yes, maybe it was too many, but you know in our five years there I don't think a single person left the company. We had incredible staff loyalty. We did a lot of the work on internal dynamics in the company and I think Pete Buckingham was very instrumental in all of that. We created a loyal band of employees who really believed in what we were doing, which in my view, you wouldn't get normally in the strictly commercial environment…

JS: Nor in television!

PW: Television is very, very cutthroat

JS: And a lot of turnover too.

PW: Yes huge turnover. So we were pretty lucky in that regard, that did work I would say, inter-staff relationships worked very well. One thing, if I hadn't hired a Head of Production, the other thing I needed was a good No.2, a good COO, I never really cracked that either.

JS: I think you said this on a number of occasions, that one of the problems with making films in this country is that we make too many low budget films, but in a sense nor have we got the infrastructure in and the capital to invest in the kind of production of the

scale that you were aiming at. Isn't the problem that there is no such thing as a medium budget film any more?

PW: I don't know. My film 'Salmon Fishing in the Yemen' just made its money back for its principal investors fast, and did well in America, not huge but fine. It cost a little bit less than 'The King's Speech', also a medium budget film, which cost about the same as 'Slumdog Millionaire', also a medium budget film. I think the bigger question is who goes to see films, who actually gets up out of the armchair and goes to the cinema. Suddenly people have woken up to the fact that people over the age of 50 do, empty nesters who have got disposable income, they go to the pictures. And it's not only about 16 year old boys which of course Hollywood has been kind of fixated on for the last 20–30 years, that's the key thing. I don't decry the making of low budget movies at all, I just think you have to be realistic about their profits, that in a way they fulfil the same role as short films, that they're R&D.

JS: Apprenticeships.

PW: I have somebody close to my family who is an established film maker, he's made 5 or 6 feature films, none of which have seen the light of day, all of which are self-financed. But you know, if he'd made 'Blair Witch Project' or 'Paranormal Activity', he'd have a huge hit, all those movies are made exactly in the same way as all the low budget movies made in this country. But it's a needle in a haystack thing, it's not a proposition that you can run a business on and film, as I've said before, is a business. It might be fracturing and splintering now with the advent of digital and the ability to make films for very little money, but the means of distribution remain the same.

I never embraced the kind of 'digital or die' initiative at all, I always thought what film audiences demand are good stories well told and production values. So when you see a grainy movie shot on an I-Phone or something, it's difficult to imagine it working commercially apart from the odd breakout like 'Paranormal Activity', which is a genre piece. All the breakouts are genre pieces. At the same time you see some of the things that Warp are doing with Robin and Mark, fantastic, but then these guys are very good marketers, and they're a well funded organisation. They're not doing it out of a bedroom somewhere. They're exploiting their products in the proper way, so have some more integration in they way they approach film making. And I think Tessa, non-profit or not, she knows the world, and she's going to be supporting film makers, young film makers who have prospects and are not doing it just for the sake of it.

JS: The other thing I was going to ask you about was state aid, because during your time at Film4 the responsibility for the lottery shifted from Arts Council to Film Council. What difference, if any, did that make to Film4 and to the film community?

PW: Enormous, incalculable difference I think. Under the Arts Council the means of distribution of lottery funding was completely arbitrary and it was basically a box-ticking exercise with a dubiously appointed council of arbiters whose decisions had mixed results to put it mildly. You soon got a glut of British films which were competing with each other for the title of the most awful film of the year. But then thanks to Chris Smith who ran the DCMS we had the initiative that led to the Film Council. I was a founder Board member and one of the team of people who put together the plan for the Film Council in the first place. I would argue, whatever you thought about them, the influence in regulating and giving quality control to the movies that were made in this country by the independent route was enormous. And the few business affair malfunctions aside, it functioned very well with the soft money financiers Film4 and BBC Films. The UKFC created a bedrock for a lot of fine movies that got made. It was an essential part of the landscape and remains so, in its new guise at the BFI.

I think it's enormously important in a way that the Film Council inherited the mantle we had at Film4, they became the big boys eventually, which we were for a while. They had the audacity to try and stand up for ourselves and create something rather than be quiet about it and carry on with business as usual. And like Film4, it became a bit of a monolith which attracted probably rightful criticism. All in all though, I think it was a brilliant success. One of the things that we mandated was that under Chairman Alan Parker, Chief Executive John Woodward was that the people who distributed the funds were appointed by the Film Council, do it on the basis of their own taste not in the European model bureaucratic way.
Everything stands and falls on personal taste. It's not an exact science.

JS: It's how the film industry works.

PW: Yeah, 'I like this, I don't like this.'

JS: So standing back and looking at our big question, which is essentially about what has the impact of television been on the film industry over the last 30 years, for all the tensions and difficulties that you've itemised in your own experience, is it a relationship that has got a future and is it necessary? Why does it work in a sense?

PW: It works from the point of view of the film industry, yeah absolutely and long may it continue as far as I'm concerned.

JS: So the irritations of having to deal with schedulers and programming demands and television rights and so on, are a price worth paying for?

PW: Absolutely it's worthwhile. I mean, I've always been of a mind to say well, if you put yourself in the broadcaster's seat, what is the value for them?

JS: Yeah, why would you make a British film!

PW: And hopefully all the good work that has been done by all these organisations that we've been talking about over the last 30 years, is resulting in a raised consciousness about British film. Take a movie like 'The Best Exotic Marigold Hotel', an average film but with a very fine cast, a very nice director and the movie is an enormous success. I wonder if it would have been that successful, with the same triple A cast if it had been made 10 or 20 years ago. I think we've been growing an audience and that the people in their 50s, 60s and 70s now, the people who have grown up with this idea of British film and continue to support it in a way is demonstrated at the box office now.

'Salmon Fishing', it's a very nice film, it didn't get particularly great reviews, it's not going to be a critical darling or win any awards but it's got a big heart and people like it. If I'd have been at Film4 when that came along I would have been very proud to have invested in it. As it was I got money from BBC Films and the Film Council and without them the film would not have been made. They were fantastic, as a Producer sitting on the other side of the desk, I can't praise them enough for their support and understanding, and that's because neither of them have a commercial brief. Their brief, (it's changed at BBC Films now, they've had to slim down a bit due to various cuts), is to support film makers and Film4, they continue to do that to this day. I mean one of the things that I used to moan and groan about when I ran Film4 was that we ended up kind of producing the movies effectively, even though there was a producer, because there was more expertise within the company than there was within the individual production companies. We had collective expertise based on hundreds and hundreds of films we worked on together, so we were kind of a one-stop shop. That has always been the case I believe and is the case with the Film Council, now the BFI and BBC Films too.

JS: Yes, the collective experience and seeing a film through from beginning to end as well, that continuity. And the other thing we were talking about earlier was the independent and radical end of things, when Channel 4 had to sell their own advertising and when Alan Fountain left and so forth. But actually one can see with Robin, the Film4 Lab and the relationship between Warp and Channel 4 now, even on that radical end of things it's still there and it's still a continuity that runs right through from the old Marxist ideologues of 1982.

PW: It's absolutely true. Such was their naïveté, you know when Channel 4 started, the first film they made was 'Walter', a Stephen Frears movie. On the first day of pre-production a motorcycle messenger arrived at the producers office with an envelope, and in it was a cheque for the full budget of the film. Here's a million quid, there was like 10 people at Channel 4 and they had some money and there's a programme started, oh we better pay for it and that's how it was.

JS: Extraordinary.

PW: …and that kind of amazing attitude has been kind of modified of course, and rationalised a bit but nevertheless, the longer that pertains the better and it's personified at the moment in Tessa and her team, a great team she's got. I can't say enough about her, I think she's absolutely brilliant, and Christine's [Langan] doing well at the BBC, a different kind of dynamic there but it's still good, in the end you are supported in the way that you need.

JS: And I only hear good words about Ben Roberts as well.

PW: Yes I don't know him very well, I've only met him a couple of times, he seems a very nice guy and everyone's pleased with that. I do completely understand why the Film Council was closed down, but it had nothing to do with the way the company was being run. I think that was entirely political and it was kind of weird that a well developed, well run little sector like the Film Council would suddenly be consumed by the BFI which was an organisation whose funds were channelled through the Film Council, so the dynamic was reversed. I am sure they'll find a way of turning themselves into an efficient organisation, but it will take time.

JS: Well they have to, yeah.

PW: They do.

LM: So you started working in the film industry in 1975 where you were with Palace then Working Title. You were working at a time of scarcity and then in the 90s it all changed, the financial structure was completely different. How did you find that difference, did it become far more competitive in attracting the top film makers and was there in a sense, more money than there was talent?

PW: I think there was for a while in the 90s and that was exemplified by the willy nilly distribution of the lottery funding to people who should never have been given it. There was an enormous boost, not only to films, to the arts in general, loads of projects across the board. It's quite interesting because in the '70s and '80s the context within which one was working was the overall national situation. You've seen documentaries, Britain is in some ways, but particularly London, almost unrecognisable to how it was then. And so your expectations were different, I was aware that people moaned about the state of the British film industry and what was to be done about it, but not much more. I mean Stephen Woolley, Nik Powell, Robert Jones, Daniel Battsek and I would not have been running Palace if we had been worried about the state of the British film industry, we just went ahead and did it.

At that time all the Odeons were being turned into bingo halls and all the exhibitors were saying well you know now video's come it's all over, we're just going to shut down quietly and video will be everything. And we said sod that and we just went ahead, made a noise, got marketing and unforeseen by almost everybody, video in fact increased the cinema audience, instead of reducing it to nothing. You know, when I made my first feature film as a producer, it was one of 28 films that were made in Britain that year. As David Rose rightly said in the 1980s the British film industry didn't really have an independent sector; Channel 4 were very much at the forefront of creating that. I'd been off to America for a good deal of the '90s. I was there for six years and in that time transitioned from film producer to film executive, I was 3 years with Miramax and 5 years at Channel 4, so from the producer point of view I kind of wasn't really aware of fundamental change because it was the same people one had always known all around you.

It's different now, there are a whole different set of people, people like Iain Canning, and new people that have come through, new people who are taking up the mantle. The other thing that happened in the mid '90s was Polygram. It was a very important part of the British film industry. It gave one an impression of largesse, that there was wealth within and around the industry. When you look at the numbers of films that are made now they regularly clock 135/140 a year, we're doing very well, even though I'm always saying we make too many, they get made anyway, no one's listening to me! So I would say, is it more competitive now? Well what we've done in growing the fiscal base, we've also grown the talent base

JS: Yes of course.

PW: That's what's happened, so I think one has become the other. What has never adequately been sorted out is when Thatcher destroyed the Unions in the '70s and '80s, along with that went very strict union practises in the British film industry, in general a very good thing. But, what also went was the training; there's still no proper training structures in the industry. There's also a kind of demographic time bomb which is slowly detonating, the industry is not diverse. If you look at the culture of the people who make films, they're mainly white male, in leading position. Women have made lots of inroads into TV, considerable inroads in film production but nevertheless, the amount of women film directors who have made anything of any note, you can count on two hands in this country and the world at large. That is a huge failing of everybody, particularly in the independent sector.

JS: That talent drain point is a very interesting one, in terms of the attractiveness for certain Hollywood studios of making films in this country, there's a traditional argument that we've got a tremendously skilled workforce and it's cheap and you get quality for not very much money, do you think that it's no longer the case, I mean we've lost a lot of studio infrastructure?

PW: No, I think with the introduction of tax credit, there's some stabilisation and inward investment, in fact growth on the inward investment side of things and coupled with some directors, like Tim Burton marrying an English actress.

JS: It helps.

PW: And moving to England. Spielberg likes making movies here, which is a result directly of the quality of the crew on the ground, that's why Spielberg comes here no other reason and a lot of directors do too, 'X-Men' things like that, inward investment all driven by the tax credit.

JS: So that time bomb of lack of training, it's not…

PW: Yeah but it's going to. I mean it's still jobs for the boys, it's still who you know or I employ my son, if you want a runner in this office whose daughter is it, internships and all that crap. The more confident immigrant populations like the Pakistani and Indian populations have come in at a pretty high level at writer level and director level, but if you go out there and you look for a brown or black or yellow face? With 'Anna Karenina' we had a huge crew and not one…it's like a closed shop and that's going to be a huge problem in time.

JS: We're very grateful to you for giving your precious time to us.