



'Britain's First Media Centre': A History of Bristol's Watershed Cinema, 1964–1998

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‘BRITAIN’S FIRST MEDIA CENTRE’: A HISTORY OF BRISTOL’S WATERSHED CINEMA, 1964–1998

Steve Presence

This article examines the genesis and development of the UK’s Watershed Cinema and Digital Creativity Centre. Established in 1982, Watershed was both the first full-time multi-screen independent cinema outside London and the first to integrate exhibition with production across a range of media arts: an innovative model that earned it the moniker, ‘Britain’s first media centre’. Watershed was also one of the first culture-led regeneration projects in the country, a model later much-imitated elsewhere. Despite its significance, however, Watershed’s genesis and development is largely unaccounted for. Beginning in the mid-1960s with the British Film Institute’s Regional Film Theatre policy, the article analyses Watershed’s history until the late-1990s. It reveals the complex local and national contexts that shaped Watershed’s development and investigates how and why such a major cultural initiative came into being at a time of profound cuts to arts funding in the UK. Moreover, the article demonstrates how issues central to Watershed’s development remain at the heart of contemporary debates about independent cinema exhibition, from questions of subsidy and tensions between nation and region to the difficulties of policy implementation and the complex realities of ‘independence’.

Located in the harbourside area of central Bristol, Watershed Cinema and Digital Creativity Centre is one of the leading cultural cinemas in the UK and a major hub for digital innovation in technology and the arts. Established in 1982, Watershed was not only the first full-time multi-screen independent cinema outside London, it was also the first that sought to integrate exhibition with production across a range of

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media arts – an innovation that saw Watershed billed as ‘Britain’s First Media Centre’. Furthermore, as one of the first major renovation projects in Bristol’s then largely derelict harbourside, Watershed was a pioneering example of culture-led regeneration that inspired similar inner-city renewal projects in cities such as Glasgow, Liverpool and Sheffield.¹ Given Watershed’s profound historical significance in terms of both independent film culture and urban renewal in the UK, one might expect its history to be thoroughly documented. However, while its history as a tool for ‘marketing the city’ has been discussed elsewhere, Watershed’s genesis and development as a ground-breaking independent cinema is largely unwritten.²

This article begins to address this omission by focusing on Watershed’s origins – a period which in fact begins with the launch of the British Film Institute’s Regional Film Theatre scheme in the mid-1960s – up until the late 1990s. Claiming that the history of Watershed begins almost 20 years before its doors first opened may seem odd, and yet locating Watershed’s origins in its pre-history and the complex set of contexts from which it emerged is an essential fact of its existence. Cultural institutions do not drop out of thin air, ready-made and fully-formed. On the contrary, they are the result of long and complex processes of negotiation and collaboration that play-out over decades. Similarly, ending an article on Watershed’s history in 1998 may seem strange to those that know the organisation today and the very different beast it has become since the late 1990s. However, as I will argue, Watershed’s development up to that point constitutes a critical period in its history, and is one which rewards detailed analysis. Moreover, while there is not space to discuss the rest of the organisation’s history in an article of this size, one cannot understand Watershed’s subsequent history without first understanding how and why it came into being in the first place.

This focus places the research squarely in the Film Studies’ sub-field known as new cinema history.³ An interdisciplinary field that traverses urban geography, economics and anthropology as well as film and media studies, new cinema history is characterised principally by its move away from the text-based enquiry of more traditional Film Studies towards other components or processes of film culture. New cinema histories are very broad but typically address exhibition and reception, often with a focus on the history and development of cinemas and the publics they serve. However, despite almost two decades’ of valuable work in this field, studies of contemporary independent cinemas in the UK are still – with some notable exceptions – few and far between, and much work remains to be done.⁴ Given this absence, a combination of methods and sources has been necessary to generate data and analyse the material. The article thus combines extensive archival research with analysis of current statistical data, policy documents, scholarship from management studies, creative industries studies and film studies as well as analysis of more than 30 interviews with key individuals, past and present, at the various organisations involved.

What results is a history that offers insight into several perennial issues: the ways in which notions of ‘independence’ are, as in the production sector, always in fact marked by varying degrees of mutual, negotiated dependence; the conflict-of-interest inherent in the BFI’s status as both funder and service-provider (and the only organisation with the remit and resources required to support independent exhibition in the regions); and the multiple inequities that play-out as a result of

this power dynamic, including top-down approaches to policy development and geo-political tensions derived from an opposition between the national (centre) and the regional (periphery).

Analysis of Watershed's history is also instructive in the context of contemporary debates about cultural subsidy on the eve of Brexit. In many ways, Watershed as conceived in the 1980s was the perfect Thatcherite project: an arts organisation framed as a modern, self-sufficient business, built on entrepreneurial spirit and an innovative public-private partnership.⁵ As I will show, despite the appeal of such a model in that context, Watershed remained dependent on public funders – especially the BFI – for what were in any case insufficient funds, and the various loans and charges levied against the organisation in this period crippled its chances of survival. Watershed in the 1980s and 1990s is therefore a prime example of the dangers involved in expecting cultural initiatives to behave like commercial enterprises – dangers our current government would do well to heed as Britain prepares to leave the European Union. Finally, in analysing how Watershed navigated its way out of bankruptcy and embarked on the journey to become the organisation it is today, the article explores the leadership role played by Dick Penny, Watershed's Director, who joined the organisation in 1991 and stepped-down as this research was being carried out. In doing so, while acknowledging that organisational success is always a collective effort, the article explores the critical yet under-examined role leadership plays in arts organisations such as Watershed.⁶

Arnolfini and Bristol Arts Centre

From the mid-1960s to the early 1980s, independent film provision in Bristol is the story of two organisations: the Arnolfini gallery and Bristol Arts Centre. Arnolfini was founded in 1961 by Jeremy Rees, Annabel Rees (née Lawson) and John Osborn to provide a space for cutting-edge contemporary art in the city. Yet despite curating a diverse and interdisciplinary programme that was innovative for its time, Arnolfini did not programme film until 1973, when it moved temporarily to W shed on the harbourside – one of the two sheds now occupied by Watershed.⁷ The absence of film from Arnolfini's programme partly reflects cinema's cultural standing at that time as a medium of entertainment rather than art. Arnolfini's programme thus included painting, poetry, sculpture, music and jewellery-making but not film which, as the BFI put it in 1966, had 'not yet achieved respectability'.⁸

By contrast, Bristol Arts Centre's attitude to film was ahead of its time. The Arts Centre was established in 1964 at 5 King Square – in the same building that houses The Cube Microplex today, now accessed from Dove Street – by a team of amateur theatre enthusiasts. Located 10-minutes' walk north of the harbourside, the building consisted of workshops and an assembly hall that dated from 1916, when it was renovated for use by Bristol Centre for the Deaf (now based just across the square). The theatre group opened the workshops to artists and community groups and converted the assembly hall into a unique wood-panelled auditorium, complete with curved and raked seating (Figure 1).⁹ Though intended as a space for theatre groups, the auditorium provided an ideal setting for film screenings. Following the launch of the BFI's Regional Film Theatre scheme, the BFI funded the installation of a projection booth



Figure 1. Bristol Arts Centre auditorium under construction, c. 1964. BFI, *The BFI in the Eighties: The work of the British Film Institute and its plans for the future: a report produced on the occasion of its 50th anniversary in 1983* (London: BFI, 1983), 22.

at the back of the theatre and Bristol Arts Centre became the first regular venue for independent film exhibition in the city.

The BFI's Regional Film Theatre scheme: policy in context

The BFI's RFT scheme was the first attempt to coordinate access to cultural cinema on a national scale outside London. Under Harold Wilson's Labour government, elected in 1964, Jennie Lee became the UK's first minister for the arts and spearheaded a drive to increase access to culture and education outside London. The BFI's funding increased by almost 50% because of this, though it was not until 1967/8 that the money finally began to flow into the regions as was intended. Therefore, as Geoffrey Nowell-Smith argues, the immediate beneficiaries were the BFI's London-based activities – especially film production, under the newly-reconstituted BFI Production Board, and the National Film Archive.¹⁰

Prior to the scheme, non-commercial exhibition outside London was provided principally by local film societies – typically volunteer-run, membership-based organisations that focused on foreign-language and political and/or experimental films.¹¹ The film society movement had expanded rapidly in the post-war period and, though well organised – the British Federation of Film Societies was set up in 1937 – it was under-resourced, with little support from the British Federation of Film Societies (BFFS) was beyond its Central Booking Agency, set-up in 1945 to negotiate with commercial distributors on behalf of BFFS members. Following the BFI's construction of the National Film Theatre in London in 1952, the discrepancy in the use of funds to support film culture in London as opposed to

elsewhere became 'acutely visible'.¹² Indeed, the then-secretary of the BFFS, Margaret Hancock, published a request in 1956 that the BFI 'reconsider its title and substitute British for London' – a criticism of the BFI's metropolitan focus much-repeated since.¹³ As a fund specifically designated to establish cinemas outside the capital, the RFT scheme was a major step forwards for regional, and therefore national, film culture.

Although it was becoming politically untenable for the BFI not to do more to support film culture in the regions, further incentive to stimulate film-going was provided by the 'catastrophic decline' in cinema admissions from the mid-1950s onwards.¹⁴ Between 1956 and 1960, attendances more than halved, from 1101 million to 501 million, and over 1000 cinemas shut down as a result.¹⁵ Though most visibly driven by competition from television, declining cinema audiences resulted from the intersection of television with the social and economic contexts of the time: television emerged at a time of growing economic prosperity which not only facilitated the widespread ownership of TV sets but also underpinned suburban migration – away from the inner-city location of most cinemas at that time – and the post-war baby-boom. As Allen Eyles argues, this contrasted sharply with the situation a few decades previously: 'some patrons in the 1930s had never stepped onto a carpet until they visited a super-cinema, [yet] in the post-war period comfort in the home often outstripped that of cinemas'.¹⁶ Furthermore, lack of investment by the cinema chains meant that this rise in living standards at home coincided with declining conditions in those cinemas that remained. Investment in the RFT scheme was thus precipitated by both political pressure to support access to the arts outside London and the need for film policy to innovate against threats to film-going arising from the broader socio-economic context. With British audiences starved of access to cultural cinema, demand for RFTs was high and the response to the scheme was enthusiastic: over 40 towns and cities applied upon its launch in 1966.¹⁷

RFTs in practice

Despite the demand for it, the roll-out of the RFT programme was a complex and contested process hindered by three major challenges. First, funding for the RFT programme was 'initially slow [and] never adequate'.¹⁸ The scheme began with an initial grant of £184,000 – of which just £11,000 was specifically earmarked for the regions – but this rose rapidly and in 1970 the 'Housing the Cinema' fund was created, which ring-fenced £100,000 per year for capital development projects in the regions. However, as Melanie Selfe notes, rising inflation soon eroded the static value of the fund and, 'when combined with the requirement for local match funding and the complex political landscape of large cities', the BFI's original plans for nine major purpose-built venues became 'almost impossible to achieve'.¹⁹ Instead, the BFI adopted a more pragmatic approach that saw sometimes very modest financial support divided among several smaller initiatives.

This was understandable in the circumstances but led to a second problem: eager to make the best of what funds were available, the BFI established too many venues in too many locations that were not properly run and could be neither

sufficiently managed nor resourced.²⁰ Thus, although this provided many localities with (albeit part-time) access to arthouse cinema, the first decade of the RFT scheme ultimately resulted in an assortment of unsustainable operations. A good indicator of this unsustainability is the increase in Deficit Guarantees paid by the BFI against losses incurred by the RFTs from £42,000 in 1972 to £120,000 in 1979 – an increase of some 186%. As Irene Whitehead, who joined the BFI as a Regional Officer in 1979 and later assumed responsibility for the RFTs as the BFI's Head of Cinema and Services, recalled, this version the scheme was 'totally non-viable' and 'hugely non-productive'.²¹ In retrospect, however, it also prepared the ground for the eventual overhaul of RFTs from the mid-1970s, from which Bristol was to benefit. Spear-headed by Whitehead and Ian Christie, then Head of Exhibition at BFI, the RFT scheme was re-organised into a hierarchy of priorities which favoured 'film centres in major conurbations', with Watershed designated as the flagship project.²²

The third major hindrance encountered by the RFT scheme came from film societies, many of which vociferously opposed the notion that increased funding for exhibition in their areas should come with rules regarding how or what they could show. Unsurprisingly, film societies represented a large proportion of the first wave of RFTs, and often wished to retain a 'film appreciation' approach to cinema which, much like the dominant form of literary criticism at the time, focused on text over context, and celebrated individual canonical films largely outside of their social or political conditions of production. This clashed with the more aesthetically adventurous and politically conscious approach that characterised the BFI's Education Department at that time, which was keen to persuade its RFTs to show programmes of films that addressed particular issues or themes – the so-called 'structured programming'.²³ Rod Stoneman, who later programmed film at Arnolfini, recalled that, 'structured programming ... was a crunch point' for many of the 'less progressive' RFTs: 'they were cinephiles really, without any politics. They thought it was all about programming the great auteurs of the world. To be told to connect stuff up and put substantial material behind it was a real breaking-point for them. There was a lot of blood on the wall'.²⁴ Indeed, Porter suggests that by 1980, eight former-RFTs had declined BFI funding altogether because of this issue, though the remainder continued to – as he puts it – 'take the BFI's shilling'.²⁵

The uneven power dynamic between the BFI and RFTs was a source of continual tension. While it was understandable that the BFI sought to influence programming in the regions, its expectation that the RFTs would be 'modelled on the NFT and programmed from London' – with the proviso that they should acknowledge 'local tastes and preferences' – indicates its somewhat condescending attitude to knowledge and culture outside the capital. Tensions were compounded when the BFI-funded production sector, represented by the Independent Filmmakers Association (IFA), began attending the BFI's annual Regional Conference from the late-1970s onwards. Although this raised awareness among producers and exhibitors of their respective needs, the producers' lobby 'took to using the conference for sectional ends in opposition to those of the other groups represented there'.²⁶ Consequently, the Housing the Cinema fund, previously ring-fenced for exhibition,

began supporting production as well, while the overall grant to the BFI was cut by the new Conservative government for the first time since the 1960s. The BFI's expanding remit and contracting resources resulted in the number of RFTs being cut from 20 to 30 and made for very strained relations at the annual conference. As Ian Christie, then Head of Exhibition at BFI, recalls, the conference was 'a kind of sustained battle, fought over 3 days, with representatives from the regions battling the BFI, saying 'give us the money. Give us more money, but don't tell us what to do. Don't think that you can impose your policy on us'.⁷⁵

Bristol's RFT: competition and consolidation

In view of the difficulties the RFT scheme faced elsewhere, the establishment of Bristol's RFT at the Arts Centre was comparatively straightforward. The Centre had a pre-existing audience and reputation as a cultural venue and minimal building work was required to adapt its theatre into a cinema space. Moreover, Chris Rodley, a painter at the Centre with a passion for film, was the ideal local contact to coordinate the venture. Rodley ran Bristol RFT from 1966 until 1979 and, for the first few years at least, delivered a diverse programme in relative harmony with the BFI (Figures 2 and 3).

The situation became more complicated in the early 1970s when, as noted, Arnolfini expressed interest in developing a film programme of its own. Until this point, relations between the Arts Centre and Arnolfini had been amiable and not particularly rivalrous: Arnolfini already had an established reputation as an art gallery of significant national standing, and thus faced little competition from a 'rundown community arts centre' with its 'hodgepodge of activities'.²⁷ Arnolfini's move into film exhibition positioned the gallery as a competitor to the Arts Centre for the first time, and thus marked the beginning of its tumultuous relationship first with the Arts Centre and later with Watershed that would continue into the 1990s.

Competition between the two organisations was exacerbated by the proposed redevelopment of Bristol's then-dilapidated harbourside, which contained two large derelict buildings with potential to become major arts venues: Bush House, a large 19th-century warehouse; and, across the water, two former boat-houses, known as the E and W sheds. Clearly, a major expansion of Bristol's cultural provision – in which cinema would obviously be a key part – was potentially on the horizon, yet the nature of that expansion and which organisations would be responsible for delivering it was largely undecided. Keen to avoid competition between the two organisations from getting out-of-hand, from 1971 the BFI embarked on a long series of meetings with the Arts Centre and Arnolfini to discuss 'future film provision in Bristol' and what it diplomatically described as the 'undefined' relationship between the three organisations.²⁸

This was a complex process that required several years to play out. In addition to the significant renovations required at both Bush House and the sheds, this was a major development of a key public site that required several national, regional and local stakeholders to collaborate. The main additional players at this stage included Bristol City Council, which owned the land; JT Group (JT), an ambitious

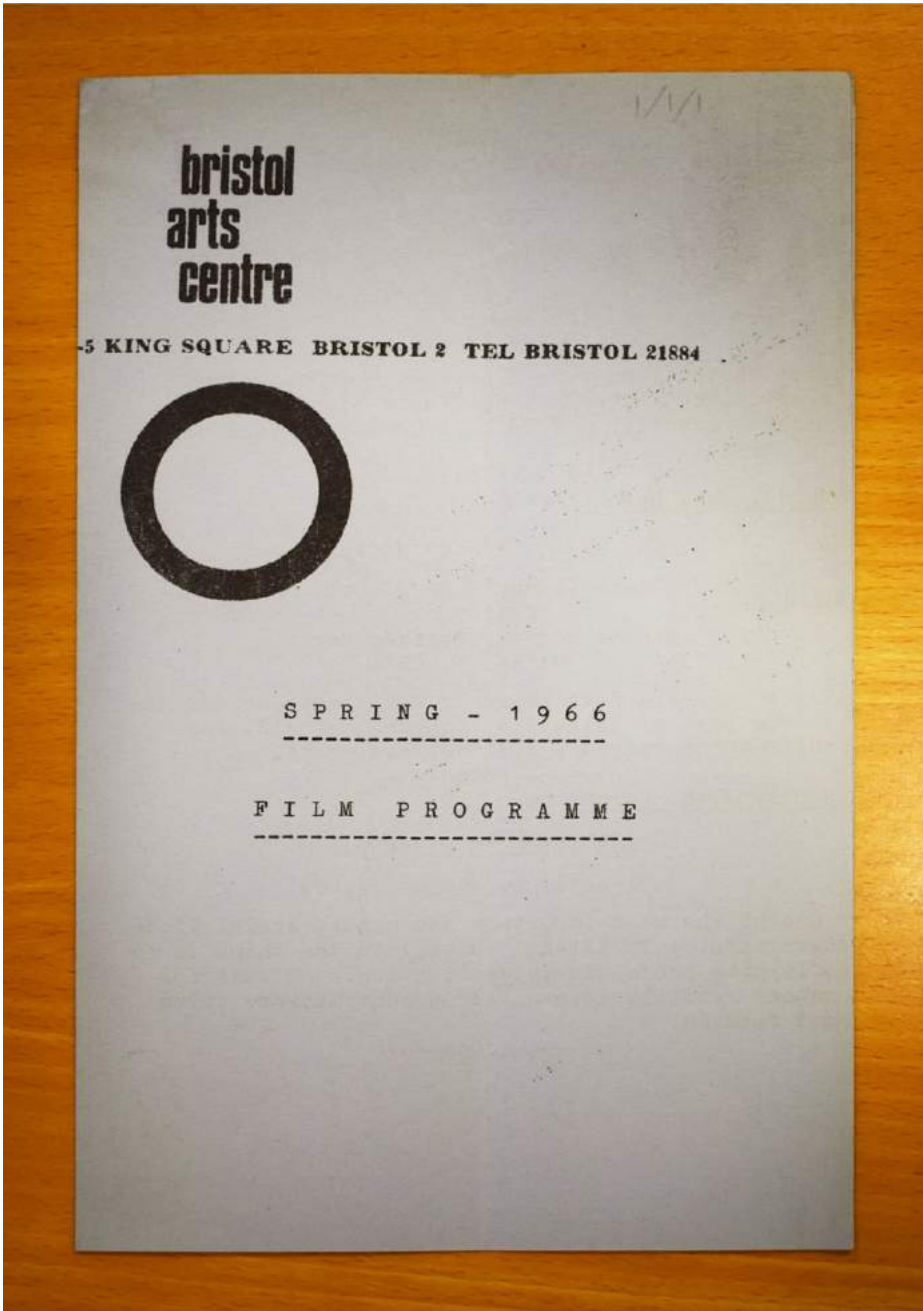


Figure 2. Bristol Arts Centre programme (cover), Spring 1966 (Bristol Archives, ref. no: 42633/1/1/1).

local design and construction firm keen to capitalise on harbourside redevelopment; and South West Arts (SWA), the Regional Arts Association for the South West. Each of the stakeholders involved had different agendas and ambitions and were often dealing with internal power struggles of their own. Furthermore, long-

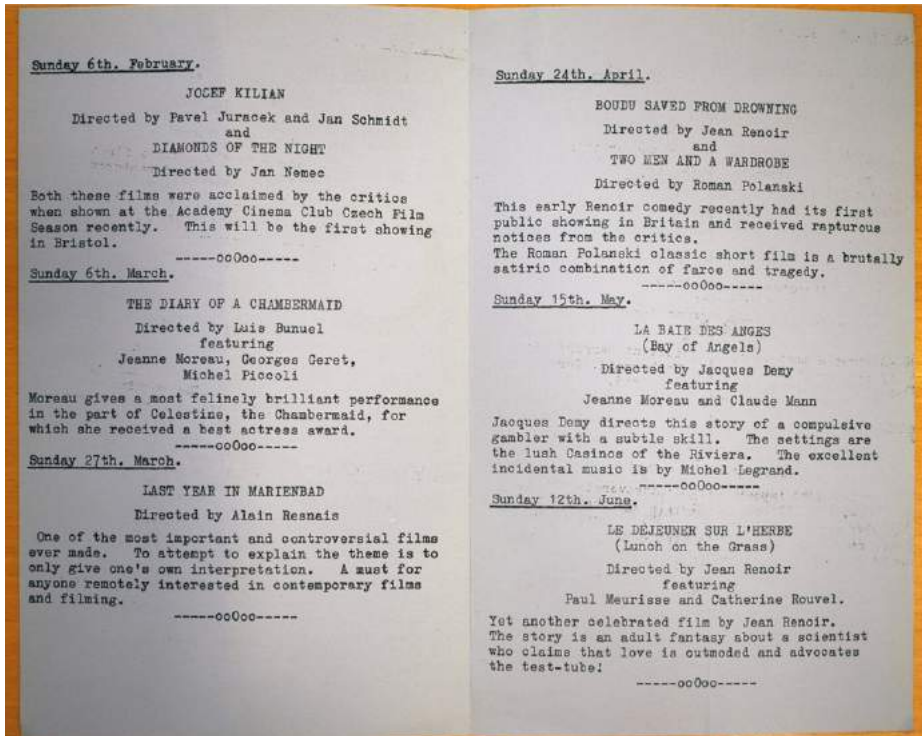


Figure 3. Bristol Arts Centre programme (contents), Spring 1966 (Bristol Archives, ref. no: 42633/1/1/1).

term strategy and day-to-day delivery had to be worked-out simultaneously – and kept changing.

Arnolfini took priority because it was Bristol’s most prestigious arts venue and because its situation was most urgent, with the lease on its Queens Square premises (also held by JT) due to expire by the end of 1972. Therefore, earlier that year it was agreed that Arnolfini would share joint-tenancy of Bush House with JT, which would refurbish the warehouse as a mixed-use site, with the gallery occupying the lower two floors and JT based in offices above it (Figures 4 and 5).²⁹ However, while the building work was taking place, Arnolfini was temporarily relocated to a partly-refurbished W shed (Figure 6). Utilising the space for exhibitions, music performances and a café, here Arnolfini also launched its new BFI-funded film programme, Arnolfini Film, in March 1973 (Figure 7). Described by curator David Hopkins as ‘engaged in ideological critique’, Arnolfini Film’s first programme comprised *The Salamander* (1971), a Swiss-French psycho-drama co-written by the art critic, John Berger; the recently rediscovered 1926 Japanese horror film, *A Page of Madness*; Aleksandr Medvedkin’s soviet slapstick, *Happiness* (1935); and the Third Cinema classic, *Hour of the Furnaces* (Octavio Getino and Fernando Solanas, 1968). Such a programme would have met with approval from the BFI at the time, but funding two separate film programmes in Bristol was not ideal given the BFI’s concerns, noted above, that RFT funding was already spread

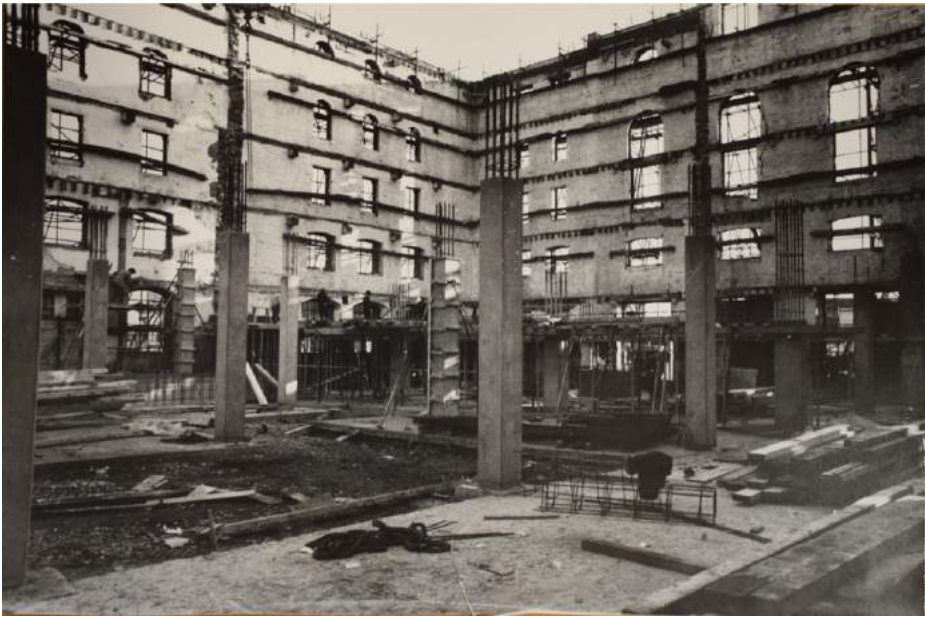


Figure 4. Bush House rebuild (interior), November 1974 (Bristol Archives re. no: 43371/Adm/3/4/2/4).

too thinly. Thus, from the BFI's point of view, Arnolfini Film was always only a temporary measure. Indeed, in January, 2 months before the launch of Arnolfini Film, the BFI had proposed turning E and W sheds into a major 'BFI-backed Film Centre'.³⁰ This would provide the perfect vehicle with which to initiate its national plans to consolidate spending on RFTs in favour of fewer, larger initiatives and avoid competition between the two organisations in Bristol: with the new centre envisaged as a 'joint operation' between Arnolfini and the Arts Centre from 1976 onwards.³¹

However, the BFI's plan was not straightforwardly accepted by either the Arts Centre and Arnolfini nor the City Council. A dedicated film centre was opposed by the Arts Centre's Director, Roz Clark, and Chair, John Bedford, whose first love was theatre and who argued that 'the sheds' should become a new home for the existing Arts Centre with space for theatre and the arts alongside film. The council, meanwhile, initially wanted to demolish the docks altogether as part of a city-centre road-building project – plans which met with 'massive protest' and sparked a local campaign to save the sheds that continued until the end of the 1970s.³² Meanwhile, Arnolfini Film struggled commercially and the gallery's enthusiasm for the medium faded. Perhaps anticipating the new film centre across the water, by February 1975 Arnolfini's Council of Management was considering refocusing Arnolfini as 'a visual arts-based organisation centred on the gallery'.³³ Nevertheless, these shifting agendas, combined with existing agreements and the need to maintain consistency in provision, meant that change was slow. Arnolfini therefore opened its new premises at Bush House, complete with new BFI-funded cinema facilities, in October 1975, and the BFI continued to fund two separate film programmes in Bristol until 1977.



Figure 5. Bush House renovation (exterior), November 1974 (Bristol Archives re. no: 43371/Adm/3/4/2/4).



Figure 6. Arnolfini's temporary home in W shed, c. 1973-5 (Bristol Archives re. no: 43371/Adm/3/4/2/4).



Figure 7. Arnolfini Film, May 1973 (Bristol Archives: ref. no: 43371/Dept/Mk/3/4/3).

Eye-to-Eye: a joint film programme

Arnolfini's move to Bush House made way for the renovation of E and W sheds but it was another four years before the council was finally persuaded – under pressure from the conservation campaign – to abandon the demolition of the sheds. In the meantime, the BFI sought a solution to the competitive tensions between its two Bristol RFTs in the form of a joint film programme, aptly named

BRISTOL ARTS CENTRE FILM ARNOLFINI CINEMA

EYE TO EYE

A NEW DEVELOPMENT - COORDINATED FILM EXHIBITION AT ARNOLFINI AND BRISTOL ARTS CENTRE MAY-JUNE 1977



ARNOLFINI AND BRISTOL ARTS CENTRE NEW FILM MERGER

In a major new development in alternative film exhibition in Bristol, the film operations of Bristol Arts Centre and Arnolfini Cinema have merged. The May-June programme, the first to be presented by the combined film operation, reflects some of the advantages of the new arrangement.

Programming over two theatres ensures a coherent exhibition policy, avoiding all the duplication and contradiction of previous years, and ensuring more choice for the public, since films will be scheduled wherever possible to provide an element of contrast between programmes. More complete and coherent seasons can be planned and presented using two theatres, at the same time allowing space for new free-finding, and occasionally. It is hoped that the combined operation will form the basis of a comprehensive film project with complementary and facilities, providing a regionally centralised point for the collection of information on all film activity.

Full programme details will be available in the new publication EYE TO EYE, issued every two months to coincide with the joint programming of Arnolfini Cinema and Bristol Arts Centre seasons.

GODARD: FILM Ways of Seeing

In 1960 BREATHLESS shocked critics, film-makers and spectators alike: in 1977 NUMBER TWO provoked along the line the idea that NUMERO DUEX was in some way a remake of ANATOMIE D'UN CAJOLEUR. BUT: DE SCRIEUX (they BREATHLESS NUMBER TWO) — finished, the first film by Godard to be given a West End opening in nearly half a century offered a similar challenge to critics — but this time it was a challenge they either would not, or could not, rise to. The reaction was almost unoppositively hostile. In less than 20 years, Godard — who originated as an aviator of a certain kind of cinema — formerly claimed as his own, even inventor of that cinema, has become for many its audience. The gap, the difference between BREATHLESS and Godard, to articulate, in cinema, and some all to the way we see cinema? And while the answer is constructed as an object of reflection rather than to argue a point, if there is an argument within it, it is that the challenge to them of the spectator issued in 1960 has not been taken up, and it is the spectator's readiness (ability to understand and understand his position in relation to cinema which has led

to the rejection, in 1977, of a work like NUMBER TWO.

The period since 1960 has seen major changes in film criticism in Britain. MOVIE magazine, an amateur publication heavily influenced by Cahiers du Cinema, the magazine for which Godard wrote, began publishing in 1962, championing the critically anguished American cinema, previously only covered restrictively; the work of Paul Willis, Writer considered the creative tip of a new wave of ideas. MOVIE drew attention to the incredible richness of the American cinema, in turn reporting European cinema except for those it considered major figures — Chabrol, Bresson, Bergman, effectively leaving dominant criticism on its head. Their belief in substance was absolute. At the same time, MOVIE's tendency to treat American directors in the same manner as dominant criticism had treated European directors, an individual critic, was criticised by SCREEEN magazine, which emphasised the action of film as a text and claimed the necessity to see film as, if not a language, as a set of codes which communicate meaning. This emphasis led SCREEEN to a criticism based on the schemes of semiotics and its parent, linguistics, to the investigation of

means of communication and ways of reading, and of psychoanalysis to investigate subconscious methods of textual construction and reading interpretation. Particularly important to this criticism is Althusser's idea of ideology as the basis of all communication and understanding. It is fair to say that none of this critical development is reflected in the kind of criticism represented in the national press, criticism is represented as 'old hat' when it has never been used or investigated; SCREEEN's criticism is ridiculed for its 'jargon' and 'uncomprehensibility' before any attempt has been made to engage with its admitted density of style and argument.

The popular press reviewer's answer to these changes is that the general reader doesn't want to be involved with these questions; the serious press critic alone themselves for an almost-only water terms of reference to make the same uncertainties as the popular press. As journalists they report the news, as reviewers they pass judgement, as critics they noticeably do not provide analysis.

What is most extraordinary in British press film coverage is that knowledge of the specific field is felt to be hardly relevant. This insistence on an unqualified approach leads to the use based on discussing films in purely personal terms, and on the other hand to the promulgation of notions of expertise and omniscience — that is the obligation of what is at work in film in favour of what is at work in the writer. The true subject of reviews is personal taste rather than film: the critic is a personality — an identity, a person whose taste the cinema can know. Opinion, barely concealing a fact acceptance of a liberal humanist tradition in criticism and an authoritarian compulsion to report what is unacceptable to it, rules British film commentary.

It should be noted that the developments in British magazine film criticism are directly paralleled by Godard's development as a film-maker, since the dominant press film criticism which largely dictates the audience for a film has not itself contributed to its own development, it comes to terms with that development, it is hardly surprising that its representations cannot but be questioned by a work like NUMBER TWO. But when we consider that in their refusal to accept the huge responsibility of their part in the formation of people's attitudes toward film, the way people see film, think and talk about it, they have effectively ensured that if they themselves cannot engage with the film, neither can a

million others, the charge becomes a million times greater — far greater for them to sustain.

British film criticism is gripped by a particular ideology, a particular set of beliefs and attitudes, and the very system that those beliefs and attitudes embody. This liberal humanism, with its belief in the romantic ideal of the individual artist, of individual creativity, of natural systems of communication, values art which reflects these beliefs. It is in this set of values which has conditioned the Arts Centre, the cinema of natural human values conditioned naturally according to style, the capture of the particular, the individual, something which 'signs' his view of reality rather than the way he represents that reality, the power of communicating it in a codified form. And when style becomes practice, when it demands to be understood for its own sake but as method, British film criticism simply does not have the ideological awareness to make the transition, because in order to do that it must first recognise that its views and opinions are not natural but ideological, and thus are not universal. The particular realism of NUMBER TWO makes a challenge to the ideological basis of this criticism. It is a challenge the critics have refused to meet.

THE PROBLEMS OF REALISM

Realism was aware of the problems of representation, of realism, yet still believed in the universality of values — the transcendental belief in nature. The camera is used as an eye, a device which records and depicts reality rather than reality without altering or interpreting it, to locate the moment of human/ideological intervention of the sitting bench, and it is the choice which is made there, rather than the choice of how reality is framed by the viewer, the construction of reality, which he sees as a moral choice. This emphasis on morality at once signals Realism's attitude to nature and man, man as the service of nature, and his awareness of the power of cinema to lie, to see with what ideas and interpretations can be smuggled into what should be a reflection of a purely external reality.

"The realist aesthetic, the cinema is the product form which is a code, provides the best appearance and manner, both the actual look of the real world and its truth... In fact this aesthetic made us a momentary delusion, the idea that truth resides in the real world and can be seen through the eye of the camera."

Continued from page 2

Figure 8. Eye to Eye programme launches, May 1977 (Bristol Archives: ref no: 43371/Dept/Mk/3/8/4).

Eye-to-Eye, to be co-curated by Chris Rodley at the Arts Centre and Archie Tate (who replaced Hopkins in 1976) at Arnolfini (Figures 8 and 9). The nature of this collaboration was to prove critical for Watershed's subsequent development. For



Figure 9. Eye to Eye programme, May 1977 double-page spread (Bristol Archives: ref no: 43371/Dept/Mk/3/8/4).

reasons outlined below, during this period the relationship between the BFI and Arnolfini deteriorated, while the Arts Centre gained an enterprising and energetic new film coordinator, Steve Pinhay. The BFI thus stopped working with Arnolfini altogether and transferred the entirety of its support to the Arts Centre which, following an internal power struggle of its own, was relocated to E and W sheds and transformed into Watershed, with Pinhay as its Director.

Eye-to-Eye launched in May 1977 and proved so successful that Rodley and Tate were head-hunted by London's Institute of Contemporary Art (ICA), where they moved to become joint-managers of its film programme in December 1978. In 1979, Pinhay and Steve Neale replaced Rodley and Tate at the Arts Centre and Arnolfini respectively. Pinhay was originally from Falmouth, and had studied Drama and English at the University of Hull (1970–3) before establishing a mobile 'film education unit' which had toured schools and community organisations across Yorkshire.³⁴ Neale was from Exeter, where he graduated with a degree in English in 1972 and was developing a reputation as respected film critic, teacher and writer. Both men were enthusiastic cinephiles in their late-20s and embraced the BFI's policy that screenings should be situated within broader programmes that encouraged critical engagement with film culture, history and politics. This alignment with BFI priorities is evident from their 1980 description of Eye-to-Eye as committed to:

the screening of films which challenge the aesthetic conventions and/or social attitudes of mainstream cinema ... the promotion of ideas about film which challenge the bases and assumptions behind established film criticism ... [and]

exhibition practices which work against those institutionalised by the capitalised film industries in Europe and America.

... hence films are programmed into seasons, rather than presented as a series of apparently random unrelated one-off screenings, the logic behind [each season] being stated through the ... publicity that we currently use – monthly posters and the bi-monthly Eye-to-Eye broadsheet.³⁵

However, though the Eye-to-Eye programme was successful, it did not improve relations between either Arnolfini and the Arts Centre or Arnolfini and the BFI. As Pinhay recalls, 'Eye-to-Eye was a bubble. [It] wasn't really Arnolfini and the Arts Centre. It was Steve and I working with the BFI'.³⁶ Indeed, Neale disliked Arnolfini's attitude to the film programme, which he felt was subordinated to the other arts, a view which was increasingly shared by the BFI. According to Christie,

we felt that Arnolfini would not take film seriously ... It saw itself as a beacon of regional visual arts culture, of which film was a part. So they showed some film but in a rather sort of erratic way. They didn't have a lot of slots for film. We said, 'Look, this is crazy. You're not serving Bristol properly. Nor are you running a coherent film exhibition programme'. They said, 'No, we don't want to run a coherent film exhibition. We are a gallery that shows film'.³⁷

With the relationship between Arnolfini and the BFI soured, when Bristol City Council put E and W sheds out to tender in 1979, inviting proposals for 'an attractive combination of public and commercial uses', Arnolfini was dropped from plans for the proposed film centre.³⁸ Eye-to-Eye ran until March 1981, after which Arnolfini curated its film programme independently. Despite the positive spin that was put on these events in Arnolfini's public programme, they caused much consternation among its management.³⁹ Indeed, the year after Watershed opened, Arnolfini management were still expressing 'despair at the BFI's handling of the situation, having invested so much public money into Arnolfini's cinema seven years ago, to be now overseeing its potential demise'.⁴⁰

Reconceived to fit the council's brief, the Arts Centre now led a consortium with JT and Dartington Hall Trust, a Devon-based estate and educational charity with which JT, the University of Exeter and the University of Bristol was also involved. JT would take the head lease on the sheds and develop the ground floor into a series of commercial spaces to be rented out, while the Arts Centre would transform the first floor into 'Britain's First Media and Communications Centre'.⁴¹ The council approved the bid in late 1980 and renovation work began the following year.

Britain's first Media Centre: 'A sprat to catch a mackerel'

The prospect of a new home on the harbourside prompted an internal struggle at the Arts Centre. As noted, both the Arts Centre's Director and Chair, Roz Clark



Figure 10. Eric Forbes, Chairman of South West Telecommunications Board, announcing support for Watershed, on April 23, 1981. Left to right: Richard Zamboni, Managing Director, Sun Life Assurance; Tony Byrne, Watershed Project Director; Eric Forbes; and Steve Pinhay, Watershed Director. Watershed Arts Trust Progress Report no. 2, July 15, 1981 (Bristol Archives: ref. no: 35510/Com/21/10/1).

and John Bedford, were from theatre backgrounds and felt that the new venue should be, like the Arts Centre, ‘a predominantly theatre-based complex’ with provision for the other arts a secondary concern.⁴² However, Pinhay and Debbie Ely, the new gallery manager at the Arts Centre, argued that the arts centre model was outdated and pursued an agenda that was clearly much more aligned with the BFI’s plan for a ‘media centre’ that would combine a two-screen cinema with space to produce and exhibit other contemporary media arts – video, photography and television – alongside conferencing facilities and a restaurant and bar area. Pinhay understood the power of this exciting new brand identity and had the backing of the BFI, the largest of the Arts Centre’s funders. This made Pinhay the most influential local player in the process and by 1980, with Bedford now on-board, Pinhay displaced Clarke as Director of the Arts Centre and became Director-incumbent of the new media centre.

The power of the media centre brand was a key part of Watershed’s development and an enticing concept in the early 1980s. This brand power enabled Pinhay and Tony Byrne – a marketing executive appointed by JT who worked with Pinhay to fundraise for the project, and thus another key player in Watershed’s development – to assemble what Pinhay described as ‘a committee of the self-interested’: an array of local, regional and national stakeholders, each with interests in the project going ahead (Figure 10).⁴³ The BFI would finally gain its flagship regional cinema centre, while the city council received a much-needed means of dockside regeneration. For JT, the media centre represented ‘a sprat to catch a mackerel’: a smaller project which provided the means to secure its

continuing participation in the larger, longer-term process of harbourside redevelopment.⁴⁴ The media centre brand also attracted a host of other stakeholders – including BBC Bristol; Harlech Television (HTV); Sun Life Assurance, a national insurance firm recently relocated to Bristol; and Allied Irish Bank, also based in Bristol – which provided a combination of in-kind and (typically loaned) cash support.⁴⁵ Sun Life Insurance became the biggest investor when it loaned Watershed £200,000 (in return for which Watershed's photography gallery was named the 'Sun Life Gallery'), and Allied Irish provided both a cash advance and the temporary use of its premises at 84 Stokes Croft, which became the Arts Centre HQ after the sale of its King Square venue (the proceeds of which was also part of the Watershed development project). This array of well-heeled partners helped leverage the resources required to launch the nascent media centre amidst the 1980–1 recession and the severe programme of public funding cuts imposed by Margaret Thatcher's Conservative government (Table 1).

Given this context, the business model underpinning the new media centre was also highly appealing. Unlike most cultural organisations until that time, which had come to depend on relatively well-resourced public arts funders for most of their income,⁴⁶ Watershed was set-up as a charitable Trust which owned a commercial trading arm, Watershed Trading, as a subsidiary.⁴⁷ Watershed Trading would run the bar, restaurant and conferencing space as a for-profit business, and then donate a proportion of its profits to the not-for-profit charity. This combination of entrepreneurialism and self-sufficiency not only chimed with the Thatcherite zeitgeist, it also promised a potentially exciting means of survival in the face of a government that was profoundly hostile to all manifestations of state subsidised culture.

Watershed's early years, 1982–90

Watershed opened its doors on 7 June 1982 (Figure 11) and immediately proved immensely popular. This was just prior to the start of the multiplex era and Watershed thus offered Bristol audiences a plush new cinema experience that contrasted with dilapidated state of cinemas elsewhere.⁴⁸ Watershed's alluring status as Britain's first media centre also contributed to its large audiences and attracted national media attention, while its 'mixed economy' business model saw Watershed become 'a tourist operation for cultural development', prompting several visits from other cultural organisations keen to replicate Watershed's promise of sustainability in the face of severe funding cuts.

Watershed's successful opening was also partly a result of Pinhay's savvy leadership. Keen to capitalise on this attention and secure Watershed's status as a regional venue of national significance, Pinhay's new team organised three high-profile opening events: an HTV-sponsored full orchestral screening of Abel Gance's newly-restored *Napoléon* (1927); a screening and Q + A with Alan Parker, a director of international repute following the success of *Bugsy Malone* (1976) and *Midnight Express* (1978); and the first Monty Python retrospective with several of the pythons as guests.⁴⁹ These events 'set a precedent' for Watershed and ensured its successful start. As Ely emphasises, Watershed 'immediately got massive

TABLE 1 Monetary and in-kind contributions to Watershed

Organisation	Monetary contribution	In-kind support/detail of monetary contribution
Bristol City Council		Peppercorn rent for 99 years
BFI	100,000	Donation of all projection equipment, priority revenue funding
Bristol Arts Centre	98,500	From sale of Kings Square premises
JT Group	80,000	80,000 allowance on the contract price for surplus space released by the Trust in W shed. JT also 'offered revenue grants of £10,000 pa for 6 years' (it is unclear if these materialised)
British Telecom		Sponsorship of wiring matrix throughout the Trust areas
Sun Life Assurance	250,000	To sponsor Watershed's auditorium and a national photographic competition
Historic Buildings Council and Bristol City Council	30,000	
ICI Paints		Donation of all paints, varnishes and finishes for the exterior and interior of the Trust areas, as well as technical and colour consultancy services
Pelling and Cross		Sponsorship of all equipment and fixtures for the photographic studio
Clerical Medical and General		Part-time secondment of an officer for up to 3 years to help with administration
Clifton Charitable Trust		Sponsorship of salary and expenses of Project Director. Revenue grants of £1000 pa for 10 years
W H Smiths		Sponsorship of Radio Play Competition for young writers in association with the Playrights Company and Radio West
IBM (UK) Ltd		Provision of two word processors to the Trust
Kleen-e-ze		Sponsorship of draught-excluding equipment
The Hayward Foundation	5000	Grant to Trust
The Van Neste Foundation	1000	Grant to Trust
Total	564,500	

audiences, absolutely massive. It was extraordinary ... It was heaving with people the whole time. It was just very, very popular'.⁵⁰

Yet beneath the large audiences and media spotlight, Watershed quickly encountered serious financial difficulties. Though it paid only a peppercorn rent, Watershed could not generate sufficient funds to maintain the running of the organisation, service the many loans that financed it and cover the large building management charges levied by its landlord, JT. As summarised by Pinhay:



Figure 11. Watershed's opening programme, June 1982 (Source: Watershed Archive).

Financially it was a massive challenge just keeping those fucking doors open. Every year effectively was a crisis. It wasn't properly underpinned. We didn't get enough funding from the BFI. Our box office couldn't underpin that. And we had these massive debts: there was too much loan financing in the place.⁵¹

Thus, by summer 1985, Watershed was already in an 'extremely serious financial position', with cash-flow forecasts estimating a total stop in November and a £50,000 deficit predicted by the end of the financial year.⁵² Furthermore, the much-trumpeted public-private funding model had not raised enough even to finish the renovation work and Watershed opened before it could be completed, with the conference and gallery spaces barely fit for purpose. As Ely recalls: 'all the gallery and conferencing and all the things which are in the far shed were just empty. There was just nothing there. I literally built the first walls myself because the money had ran out'.⁵³ The condition of the building, especially the conferencing space, further limited Watershed's income-generating capacity.

Several other factors exacerbated Watershed's financial difficulties. One was under-staffing, with senior employees often performing two roles: Pinhay was both Director and film curator; Ely was Deputy Director and gallery curator; and Sara Davies worked part-time and was both Watershed's publicist and its events coordinator. Watershed's small team was also relatively young – in their early 30s or younger – and thus inexperienced. Neither Pinhay nor his staff had ever ran a restaurant or café-bar, for example, and large servings of food and after-work drinks on-the-house meant that despite 'doing enormous business' the bar was also 'losing huge amounts of money'.⁵⁴ Furthermore, the new organisation had yet to find a balance between its commercial and cultural imperatives and this caused tension

among the staff, with some of the creative team objecting to kinds of groups that hired the conference spaces.⁵⁵

Under-funded and understaffed, Watershed also undertook an enormous range of activities as it struggled to live-up to the expansive notion of what a media centre should be. Watershed's team were running a two-screen cinema, a photography gallery and darkrooms, video production services, a conference facility and a café-bar and restaurant. The photography and media production sides of the organisation also ran programmes of educational courses and talks, while Davies organised a popular series of talks by authors such as Salman Rushie, Arthur Miller and E. P. Thompson. Watershed's production activities even expanded into what was intended to be a fully-fledged production company, Watershed Television Ltd, designed to win external commissions. Thus, the 'brilliant marketing idea' of a media centre that helped get Watershed off the ground was also, as Michael Rose – who was hired as film programmer after Pinhay left – recalled, 'kind of a curse'.⁵⁶ With Watershed's limited resources, producing innovation across the spectrum of media arts was an obligation that was impossible to fulfil.

Despite its multi-media remit, cinema was always at the heart of Watershed, and the BFI remained its principal funder. Yet even here efforts to generate box-office revenue – unpredictable at the best of times – were hampered by continued competition from Arnolfini. Despite the BFI's fractious relationship with the gallery, it had continued to fund Arnolfini's rival film programme, and Pinhay and Stoneman – who replaced Neale as Arnolfini programmer in 1980 – would therefore compete with one another for audiences. To ease this competition, in 1985 the BFI applied a '3-screen model' across the two organisations, with Watershed's Cinema 1 as Screen 1, Arnolfini as Screen 2 and Watershed's Cinema 2 as Screen 3.⁵⁷ This may have eased competition between the two organisations but it also further limited Watershed's potential box-office income, and even record-breaking hits with films such as *The Draughtsman's Contract* (1982) and *Kiss of the Spiderwoman* (1985) were insufficient to cover losses elsewhere.

Watershed staggered on through the 1980s and survived this period largely through the commitment of its staff and goodwill of its funders. Several interviewees emphasised the energy Pinhay inspired in his colleagues, and this continued even after he left in early-1987. As Rose recalls, 'everyone was very, very passionate. We were there from early in the morning until late at night. It was more than a job; it was something you lived and breathed'.⁵⁸ Watershed's public funders were equally committed to its existence. On several occasions BFI and SWA grants were brought forward to avoid various cashflow crises, for instance, and Bristol City Council approved an interest free loan to cover interest payments on debts to JT in 1986.⁵⁹ From 1986 to 1989 Dartington Hall even donated its 50% share of the trading company's income to the Trust. However, as Watershed management were all too aware, these palliative measures only delayed the inevitable.

Several factors conspired to bring things to a head by the end of the 1980s. The state of the building was now in urgent need of repair. Watershed's filmmaking equipment had deteriorated to such an extent that it could no longer run production courses, and several admin, finance and kitchen staff had left. Pinhay was replaced by two staff: Ian Pye, the former director of NME magazine, was hired

as the new Director, and Rose as film programmer with a remit to programme both Watershed and Arnolfini. While Rose's position eased competition between Watershed and Arnolfini, it did not address the problem of splitting box office between the two venues and could not solve Watershed's deeper financial problems. Moreover, in 1987 JT issued Watershed an invoice for £56,000 to cover management charges. This massive fee far exceeded what had been budgeted for and significantly destabilised the organisation. The city council, under pressure from central government cuts, also requested its debts be serviced. Pye was unable to improve Watershed's rapidly deteriorating situation and left in 1989. Between 1989 and 1991 Stephanie Brammer, Pye's deputy, took over as Director with Linda Skinner from Bristol Polytechnic as Chair. To raise some capital, they surrendered Watershed's peppercorn in exchange for a rent-bearing lease, but the money was quickly spent and Watershed's financial situation worsened further. By the end of the 1980s, Watershed's liabilities exceeded its assets by almost £86,000.⁶⁰ By the start of the 1990s it was facing bankruptcy.

Commerce, creativity and sustainability: Dick Penny

Watershed's upturn under the leadership of Dick Penny constitutes a pivotal moment in its history. Indeed, Penny's relationship with Watershed now spans almost three decades, and his name has become synonymous with the organisation. However, Penny's role as Director of Watershed in fact comprises two distinct phases.

In his first period as Director, from 1991 to 1993, Penny was hired for his business management skills. Unlike Watershed's previous Directors, Penny had begun his career working in industry, and this experience formed the bedrock for his subsequent career in the arts. Originally from Worcestershire, Penny had moved to Bristol in 1974 to be with his then girlfriend, a student at Bristol University. Though passionate about theatre, Penny found employment in manufacturing: first as a production controller at a furniture company in Avonmouth, then at a commercial vehicle builder, making fire engines and buses, and later at a textile factory.⁶¹ By the early-1980s, Penny had moved into theatre management. Between 1980 and 1983 he successfully ran The Little Theatre, a 300-seat venue attached to Colston Hall, and from 1983 to 1986 Penny was Associate Director at the prestigious Bristol Old Vic, with a brief to develop the programme and build its audience. By the end of the decade, he had developed a reputation as a 'fixer' of struggling cultural organisations. It was this reputation that led to Penny being recommended to the BFI as someone who might be able to address the financial problems at Watershed which, when he arrived in 1991, had just recorded losses of £260,000. These losses added to a general fund deficit of £596,000, and Watershed had a further £300,000 of debts due before the end of the year.⁶²

Penny immediately embarked on a drastic rescue operation that sought to radically cut costs, overhaul Watershed's activities to 'focus on fewer things and doing them better' and to refinance the organisation.⁶³ Several staff were made redundant and those that remained were instructed to accept cash-only payments to mitigate Watershed's cash-flow crisis. Penny also instituted strict oversight of cash

flow in the café-bar – which was still ‘losing huge amounts of money because either the money didn’t go over the till or alcohol went out the back door’.⁶⁴ Penny then worked with the new Chair, Stella Clarke, to secure an additional overdraft facility to fund a six month turnaround operation that enabled them to raise the capital to fix the building and kickstart Watershed’s income-generating activities. With costs under control, Watershed’s finances gradually began to improve, and Penny was enthusiastic about its prospects.⁶⁵ However, Watershed’s main public funders – the BFI, the Arts Council and the city council – refused to discuss investing more funds in the organisation. They felt Penny had stabilised Watershed, which was the best that could be hoped for during yet another depression, with a Tory government that would not fund the arts and other BFI-funded institutions in need of their own rescue-packages – especially Cornerhouse in Manchester, which had opened in 1985 and also quickly encountered serious financial problems. Nevertheless, Penny felt betrayed at their lack of understanding of the need to support what he felt was the essential ‘phase two’ of Watershed’s recovery programme, and he left in 1993 to pursue a career as a theatre producer. Unsurprisingly given what remained an ‘untenable situation’, Watershed’s finances rapidly declined under the stewardship of its next two Directors, Cara McMahon (1993–5) and Luke Sapsed (1995–7), neither of whom were able to balance Watershed’s cultural remit with its income-generating activities.⁶⁶ By the time Sapsed left, Watershed was in even greater difficulties than before. With a deficit of nearly £750,000, no Director or Chair (David Giles had replaced Clarke in 1995 but resigned with Sapsed), and an extremely demoralised staff, Watershed once more looked likely to close.

Thus begins Penny’s second, initially-reluctant, phase as Director. Derrick Price, a filmmaker and photography lecturer who was then Associate Dean of Art and Design at Bristol Polytechnic, had joined Watershed’s board just weeks prior to Sapsed and the previous Chair’s departure. Price agreed to become Chair and to try to find a suitable Director, and asked the staff for recommendations. As he tells it, ‘everyone kept saying, “what we need is someone *like* Dick Penny again”, so I rang up *the* Dick Penny’ – a recollection that is indicative of the approach he took to Penny, who says Price ‘flattered me to death’.⁶⁷ Though initially reluctant, Penny accepted the offer, and subsequently developed a very close relationship with Price, whom he credits as a ‘fantastic chair and ally’ and a large part of the reason he remained at Watershed for so long (Penny and Price worked together for the next 17 years, until Price retired in 2015).⁶⁸ Penny returned to Watershed partly for family reasons: he and his partner had recently had a baby, and much of his work as a producer required him to be in London away from his family; being at Watershed would let him spend more time at home. Professionally speaking, Penny also wanted to clear some time to develop his first feature film (an adaptation of *Macbeth* starring his friend and Bristol Old Vic alumnus, Pete Postlethwaite). Being based in Bristol would afford him the space to do that, and so he agreed to return to Watershed for two years, working two days a week. As he says, Watershed was only of secondary concern: ‘that was the deal. I thought “Two years of work at home, doing exactly what I know how to do. Meanwhile, I’ll be getting the film funded and I can go off and make the film”’.⁶⁹ However, when

Watershed got involved in Bristol Creative Technology Network (BCTN), a project exploring the creative possibilities of the internet in 1999, Penny became extremely enthused by the internet's potential and the transformative impact digital technologies would have across the creative sector. From then on, his work as a producer was gradually side-lined and leading Watershed into the digital era became Penny's primary objective.

If Penny's first phase as Director demonstrated his commercial abilities, the second period demonstrates his capacity for visionary leadership. With Penny driving the change, this period saw Watershed 'bet on digital' and refocus all of its activities – including the cinema as the cultural heart of the organisation – towards ensuring Watershed was best-placed to explore and exploit the potential of digital culture.⁷⁰ Indeed, it is in this period that Watershed started to become the organisation now described in its tagline: a 'cultural cinema and digital creativity centre'. Yet in many ways this is the period in which Watershed finally began to realise the original vision of a media and communications centre. Previously, despite the best efforts of those involved to explore the convergence of and interrelationships between key visual-culture media, those media had remained largely distinct and isolated in their respective fields. Digital finally provided a unifying thematic focus and, of course, literally enabled that convergence to take place.

Yet despite these concrete historical shifts in the materiality of cultural production, Watershed would not have survived to see these changes were it not for the exceptional combination of skills Penny brought to the organisation as Director: sharp-eyed business acumen and a deep understanding of Watershed's cultural role, combined with the prescience to anticipate the impact of digital technologies on the cultural industries – and the ability to inspire the commitment of those around him. Thus, while the success of any organisation is a collective effort, Penny's two periods as Watershed's Director demonstrate how central the role of Director is to the health and sustainability of cultural organisations. They also underscore how rarely the skillset required – strategist, motivator, politician, enthusiast, aesthete, diplomat, business person – exists within one person. Indeed, Penny embodies several of the characteristics identified in existing research on leadership in creative organisations, and this goes some way towards explaining the various difficulties Watershed experienced under several of its previous Directors, few – if any – of whom were able to meet Watershed's cultural ambitions and its commercial needs in quite the same way.⁷¹

Conclusion

Watershed's strategic reorientation after Penny's return in 1998 marks the end of the first chapter in its history and the beginning of a new one. That subsequent chapter, from around the turn of the century to the present-day, has seen Watershed transform again as it has fought to retain its status as one of the UK's leading independent cinemas and evolved into what the UK Creative Economy Programme described as 'a highly connected, flexible, porous piece of cultural and creative infrastructure'.⁷² This second chapter in Watershed's history – including the contribution of key creative staff such as Clare Reddington, Watershed's Creative Director, or Mark Cosgrove, the film curator whom Derrick Price

described as Watershed's 'great acquisition'; the landmark funding grants that enabled Watershed to build Cinema 3 (2002) or obtain the lease to its building (2007); as well as the major shifts in national policy and provision, such as the emergence of the Independent Cinema Office in 2003 or the resurgence of support for the exhibition sector on the part of the BFI since 2012 – has yet to be written.⁷³ The account of Watershed's origins provided here lays the foundation for that work and, as noted at outset, provides several key insights for thinking about the organisation today and, more particularly, the position of cinema within it.

Among the most significant of these is the role of, and relationship between, national funding and policy-making bodies – in this case the British Film Institute – and the regional cinemas it has a responsibility to support. The BFI was centrally involved in the creation of these cinemas, which were established as part of an ongoing national project to provide access to, and to build and sustain audiences for, cultural cinema across the UK. That organisations like Watershed are still engaged in this vitally important cultural project and continue to work closely with the BFI and other organisations in pursuit of it is often completely elided by their designation as 'independent' cinemas. This article has shown how these complex, mutually-dependent relationships developed, how long they take to grow and how fragile they remain. They should be celebrated, not obscured, and defended against those who would argue against their subsidy.

However, the relationship between the BFI and the regional cinemas it supports remains imbalanced. With the BFI combining roles of national policy-maker, funder and service provider, its power far outstrips that of the regional independent cinema sector. This fact does not reflect their *equal* importance: the BFI cannot build a national film culture on its own and neither can the regional cinemas. Locating so much power within London-based institutions fosters the slippage between capital and nation and encourages organisations like the BFI to prioritise the interests of London over those of the nation, and to cater for its own, London-based activities first: especially the National Film Archive, the cultural programme at BFI Southbank and production activities. For example, between 2018 and 2022, the BFI has allocated a total of £15m to its Film Audience Network (FAN), the policy initiative tasked with 'increasing the breadth and depth of film available to audiences' across the UK.⁷⁴ This compares with £179.5m allocated to the National Archive and the cultural programme, and a combined total of £96m for production activities. The extent to which this distribution of resources mirrors the situation at the launch of the RFT scheme in the 1960s is striking. Indeed, the initial RFT scheme came about not only because cinema-going was in crisis but because it was politically untenable for the BFI *not* to increase its support for film culture outside London in the face of its blatant prioritisation of its own London-based work. Were more representatives from the regions involved in national decision-making processes, resources would surely be distributed considerably more evenly across the UK as a whole, as is befitting of a truly national film policy.

Nevertheless, after years of film policy being resolutely production-led under the UK Film Council, the BFI's renewed support for the exhibition sector is welcome, and it is heartening to see FAN renewed for a second 4-year cycle – and to see the funds increase from the paltry £7.5m available to nine hubs in the first

iteration of the scheme (2012–7). This speaks to two issues raised by the history discussed in this article. The first is the need for stable, long-term film policy. It takes decades to stage effective interventions, as is clear from the fact that Watershed emerged from a policy originated in 1966, was first mooted in 1973, opened its doors 9 years later, and only really became a sustainable operation around the end of the century. Mistakes are inevitable and easy to spot in hindsight – the small, unsustainable RFTs in the early days of the scheme, for instance – and institutional relationships are inevitably also individual ones that take time to iron-out, as the various issues surrounding Arnolfini Film and the Eye-to-eye programme demonstrate. Yet these mistakes are part of the *iterative* process of developing effective policy. While the FAN initiative is about building audiences rather than cinemas, it is a similarly long-term objective and should be conceived and understood in a correspondingly appropriate timeframe.

The second is that a sensible response to perceived crisis is ambitious, targeted investment. For all the limitations of the RFT scheme and the problems it encountered, it was a bold response to declining audiences in the 1950s that has reaped historic benefits for independent film culture in the UK. Today, with all the perceived threats to cinema-going represented by on-demand services, streaming and illegal downloads, supporting independent cinemas to foster film communities and engage audiences in diverse and exciting cinema is exactly how funds for exhibition should be used. Again, FAN is a welcome, albeit drastically under-funded, initiative that should be protected and enhanced. Finally, Watershed's history underscores the danger of conceiving of independent cultural cinema as a profit-making endeavour. While the rhetoric of entrepreneurialism and self-sufficiency was a key element of Watershed's brand power, enhancing the BFI's cornerstone funding of the project with several sources of private finance ensured Watershed's financial model was unsustainable from the start. Cultural cinema exhibition is not a commercial enterprise, and if we want a rich and exciting cinema culture, public funds must support it.

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5. While public–private partnerships of this sort in the UK are more typically associated with New Labour, the merging of culture with business and entrepreneurialism started under Thatcher and continued under Blair. As David Hesmondhalgh et al. have argued, the 'mobilisation of the cultural industries concept under New Labour represented an extension of initiatives and techniques that had been adopted in the UK under the Conservatives of 1979–97'. David Hesmondhalgh, David Lee, Kate Oakley, and Melissa Nisbett, *Culture, Economy and Politics: The Case of New Labour* (London: Routledge, 2015), 49.
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7. Phil Owen, 'Enjoy yourself: An introduction to Arnolfini's history', Arnolfini, <https://www.arnolfini.org.uk/blog/enjoy-yourself> (accessed December 5, 2017).
8. BFI, *The National Film Theatre Outside London: Suggestions for Local Authorities* (London: BFI, 1966).
9. Theatres Trust Database, 'Cube Microplex', item no: 2520, <https://database.theatrustrust.org.uk/resources/theatres/show/2520-cube-microplex> (accessed December 3, 2017).
10. Geoffrey Nowell-Smith, 'From the 1964 Government to the 1970 crisis', in *The British Film Institute, the government and film culture, 1933–2000*, ed. Geoffrey Nowell-Smith and Christophe Dupin (Manchester: Manchester University Press, 2012), 104.
11. Richard McDonald, 'The Rise of the Film Society Movement', in *The Routledge Companion to British Cinema*, ed. I. Q. Hunter; Laraine Porter and Justin Smith (London: Routledge, 2017), 109–18.

12. Selfe, 'Doing the Work of the NFT', 81.
13. Richard MacDonald, 'The vanguard of film appreciation: The film society movement and film culture, 1945–1965', in *The British Film Institute, the Government and Film Culture, 1933–2000*, ed. Geoffrey Nowell-Smith and Christophe Dupin (London: BFI, 2012), 99.
14. James Quinn, *Outside London: a report to the Governors of the British Film Institute by James Quinn* (London: BFI, 1965), 18. See also John Spraos, *The Decline of the Cinema: An Economist's Report* (London: Allen & Unwin, 1962).
15. Allen Eyles, 'Exhibition and the Cinemagoing Experience', in *The British Cinema Book*, 1st ed. (London: BFI, 1997), 217–25.
16. *Ibid.*, 222.
17. BFI, *The National Film Theatre Outside London: Suggestions for Local Authorities* (London: BFI, 1966), np.
18. *Ibid.*, 119.
19. *Ibid.*, 119.
20. Selfe, *Doing the Work of the NFT*, 80.
21. Irene Whitehead, interview with the author, March 27, 2018.
22. Vincent Porter, 'Alternative Film Exhibition in the English Regions during the 1970s', in *Don't Look Now: British Cinema in the 1970s*, ed. Paul Newland (Bristol: Intellect, 2011), 63.
23. *Ibid.*, 65.
24. Rod Stoneman, interview with the author, November 6, 2017.
25. Porter, 'Alternative Film Exhibition', 65.
26. Sheila Whitaker, 'Declarations of Independence', in *British Cinema Now*, ed. Martyn Auty and Nick Roddick (London: BFI, 1985), 86.
27. Steve Pinhay, interview with the author, February 13, 2018.
28. Arnolfini, Council of Management minutes, November 7, 1973 (Bristol Archives, ref no. 43371/Adm/1/1/1).
29. The Bush House site had in fact been earmarked for Arnolfini as early as 1968, though plans at that stage were vague. One suggestion, for instance, was that Arnolfini share the site with a restaurant and the Academy Cinema on Cheltenham Road, which had been closed since 1955. Arnolfini, Council of Management minutes, October 12, 1969 (Bristol Archives, ref no. 43371/Adm/1/1/1).
30. Arnolfini, Council of Management minutes, January 22, 1973 (Bristol Archives, ref no. 43371/Adm/1/1/1).
31. Arnolfini, Council of Management minutes, September 12, 1976 (Bristol Archives, ref no. 43371/Adm/1/1/2).
32. Andrew Foyle, *Pevsner Architectural Guides: Bristol* (New Haven and London: Yale University Press, 2004), 40.
33. Arnolfini, Council of Management minutes, February 24, 1975 (Bristol Archives, ref no. 43371/Adm/1/1/1).
34. Pinhay, interview.
35. Steve Neale and Steve Pinhay, 'Eye to Eye', in *Southwest Film Directory*, ed. Rod Stoneman (Exeter: South West Arts, 1980), 130–1.
36. Pinhay, interview.

37. Christie, interview.
38. Ian Danby, *These Smashing Things: Trade, Change and Controversy: A visual history of the birth of Watershed* (Bristol: Watershed, forthcoming), 18.
39. The change coincided with a new design for the gallery's monthly brochure, Arnolfini Review, and includes an editorial by Rees who discusses the 'further development in our cinema programme' that will 'add up to even better cinema opportunities for everyone' and that 'our planned programme ... is possibly our most exciting yet'. *Arnolfini Review*, April 1981 (Bristol Archives, ref no. 43371/Dept/Mk/3/12/6).
40. Arnolfini, Council of Management minutes, April 16, 1983 (Bristol Archives 43371/Adm/1/1/5).
41. This was commuted to 'Britain's First Media Centre' by 1986.
42. Debbie Ely, interview with the author, December 21, 2017.
43. Pinhay, interview.
44. Ibid.
45. HTV was the ITV franchise holder in the South West and Wales. See Andrew Spicer and Steve Presence, *Go West! Bristol's Film and Television Industries* (Bristol: UWE Bristol, 2017), 60–1.
46. Julia Knight and Peter Thomas, *Reaching Audiences: Distribution and Promotion of Alternative Moving Image* (Bristol: Intellect, 2011), 20.
47. This structure remains largely in place today, though it should be noted that Watershed Trading is currently wholly-owned by Watershed Arts Trust. When Watershed was founded, the Trust owned only 50% of the trading company, with the other 50% owned by Dartington Hall Trust. As noted below, this was a significant contributor to the Trust's subsequent financial difficulties. Watershed, Council of Management minutes, March 31, 1987 (Watershed Archive).
48. For a discussion of the development of multiplexes in the UK and their impact on cinema-going, see Stuart Hanson, "Entering the age of the hypermarket cinema": the first 5 years of the multiplex in the United Kingdom', *Journal of British Cinema and Television* 14, no. 4 (2017): 485–503; and Justin Smith, 'Cinema for Sale: The Impact of the Multiplex on Cinema-going in Britain, 1985–2000', *Journal of British Cinema and Television* 2, no. 2 (2008): 242–55. The history of multiplexes in Bristol is patchy, however, and it is difficult to ascertain the competition they provided to cinemas like Watershed.
49. The *Napoléon* event actually took place at the Hippodrome to accommodate the orchestra.
50. Ely, interview.
51. Pinhay, interview.
52. Watershed Council of Management minutes, August 7, 1985; Watershed Council of Management minutes, September 10, 1985; and Watershed Council of Management minutes, December 18, 1985 (Watershed Archive).
53. Ely, interview.
54. Pinhay, interview.
55. Michael Rose, interview with the author, February 9, 2018. As Rose recalled, there was 'this great tension between the "culturalites" like myself, who were there to fulfil a cultural mission, and [the events organiser] who just wanted to

- flog the space to whoever. You could have the Idi Amin support group rallying itself on the stage so long as they had the cash’.
56. Rose, interview.
 57. Watershed Programme Report, February 27, 1985 (Watershed Archive).
 58. Rose, interview.
 59. Watershed Council of Management minutes, May 13, 1986; Watershed Council of Management minutes, September 9, 1985 (Watershed Archive).
 60. Watershed Finance Committee minutes, November 11, 1987 (Watershed Archive).
 61. James Tidmarsh, ‘Dick Penny: Doctor of Laws’ (oration at Dick Penny’s honorary doctoral award, University of Bristol, July 16, 2010), <https://www.bristol.ac.uk/graduation/honorary-degrees/hondeg10/penny.html> (accessed April 7, 2018).
 62. Watershed Arts Trust, Director’s Reports and Accounts, March 31 1991 (Watershed Archive).
 63. Dick Penny, interview with the author, November 7, 2017.
 64. Ibid.
 65. By 1993 turnover was up to £953,000 and was back in profit, with accounts showing £17,000 surplus. Watershed Arts Trust, Director’s Reports and Accounts, March 31 1993 (Watershed Archive).
 66. Penny, interview.
 67. Interview with Derrick Price, November 21, 2017; Penny, interview.
 68. Penny, interview.
 69. Ibid.
 70. Although in hindsight this seems to be an obvious decision to make, in 1999 the transformative impact of digital technologies in the cultural sphere was far from obvious. As Penny says, it was a ‘big bet’.
 71. Küng, ‘Leadership’, in *Strategic Management in the Media: Theory to Practice*, 2nd ed. (London: Sage, 2017), 175–202.
 72. DCMS, *Creative Economy Programme Working Group Reports* (London: DCMS, 2006), 51.
 73. Price, interview.
 74. BFI, *BFI 2022: Supporting UK Film, BFI Plan 2017–2022* (London: BFI, 2017), 30.
 75. Ian Christie, interview with the author, 27 November 2017.

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