

Statement of Draft Policy

Changes to the Cultural Test for High-End Television Programmes

The Chancellor in the Budget 2015 announced that amendments would be made to the current cultural test for high-end television programmes, as introduced in April 2013. This test is the gateway to the high-end television tax relief.

The Cultural Test (Television Programmes) Regulations 2013 contain the existing cultural test for high-end television programmes, and guidance on the existing test can be found at <http://www.bfi.org.uk/film-industry/british-certification-tax-relief/cultural-test-high-end-television>

The draft policy of the current Government is to amend the existing cultural test by awarding an additional two points in Section A4 (Original Dialogue) and an additional two points in Section C1 (Cultural Hubs). This changes the total number of points available from 31 to 35, with the qualification threshold rising from 16 to 18. For any of these changes to take effect, they will need to be implemented through regulations amending the existing Cultural Test (Television Programmes) Regulations 2013.

The draft cultural test incorporating the proposed changes is provided in the Annex to this document for illustrative purposes.

This draft test includes changes representing the policy of the existing Government and in no way binds any future Government. It will be for the next Government to bring forward regulations to implement any changes to the cultural test and those regulations will be subject to the scrutiny of the next Parliament. As a result, the proposed changes as set out in the draft test remain subject to change and the draft should not be relied upon as a final statement of the test.

The current high-end television cultural test continues to operate as normal and interested parties should continue to refer to the existing regulations and guidance.

Annex A: DRAFT Cultural Test for High-End Television Programmes

Provided for illustrative purposes only. Final policy will be a matter for the next Government to determine and any regulations to implement the policy will be subject to the scrutiny of the next Parliament.

Section A – Cultural Content

A1 Television Programme set in the UK, another EEA state **Up to 4 points**

- 4 points will be awarded if at least 75% of the television programme is set in the United Kingdom or another EEA state.
- 3 points will be awarded if at least 66% of the television programme is set in the United Kingdom or another EEA state.
- 2 points will be awarded if at least 50% of the television programme is set in the United Kingdom or another EEA state
- 1 point will be awarded if at least 25% of the television programme is set in the United Kingdom or another EEA state.

A2 Lead characters are British/EEA citizens or residents **Up to 4 points**

- 4 points if two or more of the three lead characters/participants are British or EEA citizens or residents, or if there are only one or two characters/participants and all are British or EEA citizens or residents.
- 2 points if one of the two lead characters/participants is British or an EEA citizen or resident, or if only one of three lead characters/participants is British or an EEA citizen or resident and that character/participant is the first or second lead; and
- 1 point if one of the three lead characters/participants is British or an EEA citizen or resident and that character/participant is the third lead.

A3 Television programme based on British or EEA subject matter or underlying material

4 points

Four points will be awarded if the television programme depicts a British story, or a story which relates to another EEA state. A television programme depicts a British or EEA story: (a) if the subject matter of the television programme is British or relates to another EEA state; or (b) if the underlying material on which the television programme is based is by a British or EEA citizen or resident.

A4 Original dialogue recorded mainly in a language recognised for official purposes in an EEA state

6 points

6 points will be awarded if at least 75% of the original dialogue is recorded in the English language or in an officially recognised regional or minority language of an EEA state.

4 points will be awarded if at least 66% of the original dialogue is recorded in the English language or in an officially recognised regional or minority language of an EEA state.

2 points will be awarded if at least 50% of the original dialogue is recorded in the English language or in an officially recognised regional or minority language of an EEA state.

1 point will be awarded if at least 25% of the original dialogue is recorded in the English language or in an officially recognised regional or minority language of an EEA state.

Total for Section A - 18 points

Section B – Cultural Contribution 4 points

Points for each category will be awarded as follows:

- Significant representation/reflection of British creativity through a novel and creative approach to programme making (1 point).
- Significant representation/reflection of British Heritage (1 point)
- Significant representation/reflection of Diversity:
 - 1 point for subject/portrayal
 - 1 point for other factors impacting on the final content

Two points may be awarded if a programme can demonstrate it makes an outstanding contribution towards these factors. A maximum of four points can be awarded in the whole section.

Section C - Cultural Hubs

C1 Principal photography/visual effects/special effects 4 points

Four points will be awarded if at least 80% of the work on any one of the following activities is carried out in the UK (and 2 points if at least 50% of the work is):

- (a) Principal photography (for a drama): Principal photography in the UK includes principal photography at any studio, location, warehouse or other place where filming takes place. It does not include any shooting done by second or other units. It will be measured by reference to the number of days spent of the work as set out in the shooting schedule.
- (b) Visual Effects: Visual effects is defined to mean the digital alteration of a film's images. This will include the following activities carried out as part of Asset Build, Shots, and Facility Overhead but not those activities relating to principal photography: Pre-visualisation, Concept Design, Computer Generated Images (CGI), Character/Creature Animation, Colour Correction, 2D Compositing, 3D Animation, 3D Modelling, Software Development, Digital Intermediate, Stereo Conversion, Virtual Sets/Studio, Motion Capture, Digital

Matte Painting, Lighting and Rendering, Images, as well as the supervision, support and management of the artists and individuals engaged in this activity.

- (c) **Special Effects:** means artificial techniques or processes, which are not visual effects, used to create an illusion in a television programme. Special Effects include, but are not limited to: Miniatures, Animatronics, Prosthetics, Atmospherics, Mechanical Effects, Flying Effects, Pyrotechnics, Animation and puppets, Special Costumes, Action Props.

For documentaries only: In place of principal photography, four points will be awarded if at least 80% of the shooting of the documentary takes place in the UK (two points for at least 50% of the shooting). Work on research and development will also be eligible. Four points will be awarded if at least 80% of the work (and 2 points for at least 50% of the work) on this activity is carried out in the UK.

C2 Music recording/audio post production/picture post production 1 point

One point will be awarded if at least 50% of the work on any one of the following activities is carried out in the UK:

- (a) **Music recording:**
- (b) **Audio Post Production**
- (c) **Picture Post Production**

Total for Section C – 5 points

Section D – Cultural Practitioners

D1 Director 1 point

One point will be awarded if at least one of the directors (or, if there are more than three, one of the three lead Directors) is a qualifying person.

D2 Scriptwriter 1 point

One point will be awarded if at least one of the scriptwriters (or, if there are more than three, one of the three lead scriptwriters) is a qualifying person.

D3 Producer 1 point

One point will be awarded if at least one of the producers (or, if there are more than three, one of the three lead producers) is a qualifying person.

D4 Composer 1 point

One point will be awarded if the composer is a qualifying person (or, if there are more than three, one of the three lead composers) is a qualifying person.

D5 Lead Actors**1 point**

One point will be awarded if at least one of the actors/participants (or, if there are more than three, one of the three lead actors/participants) is a qualifying person.

D6 Majority of cast**1 point**

One point will be awarded if at least 50% of the cast are qualifying persons. 'Cast' means all the actors and performers (including stunt men and women)/participants but not extras who appear in the programme.

D7 Key Staff**1 point**

One point will be awarded if at least one of the heads of department is a qualifying person.

D8 Majority of Crew**1 point**

One point will be awarded if at least 50% of the production crew are qualifying persons.

Total for Section D - 8 points

Total for Sections A, B, C, D – 35 points.

The Golden Points Rule

The "Golden Points Rule" applies if a television programme scores all 19 of the points available in sections C, D and A4: if it scores less than two points in section A1 and less than two points in section A2, it must additionally obtain the points in section A3 to pass the cultural test. If a television programme scores two points in section A1 or two points in section A2, it will not require the additional points from section A3 in order to pass the test. See annex C for a flowchart explanation of the golden points rule.