



SCREEN SECTOR CERTIFICATION

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FACTS IN FOCUS

In 2020, 921 projects with a total production value of £4.9 billion were certified as British under the UK's screen sector cultural tests and co-production treaties. The UK spend associated with these projects was £3.7 billion.

- ▶ A total of 385 feature films received final certification as British in 2020, an increase from 383 in 2019. Of these, 369 were films which passed the cultural test and 16 were official co-productions.
- ▶ The combined production budget of cultural test films with final certification was £2.5 billion (£3.7 billion in 2019); the combined budget of co-productions with final certification was £75 million (£47 million in 2019).
- ▶ Thirty films with final certifications had budgets of over £10 million, down from 40 in 2019; 301 films with final certification had budgets of under £2 million, up from 278 in 2019.
- ▶ The median budget for cultural test films in 2020 was £0.1 million; the median budget for co-productions was £3.2 million.
- ▶ A total of 118 high-end television (HETV) programmes received final certification under the cultural test (135 in 2019), with a combined budget of £1.7 billion (£1.8 billion in 2019).
- ▶ A total of 65 animation programmes received final certification under the cultural test (60 in 2019), with a combined budget of £111 million (£125 million in 2019).
- ▶ A total of 89 children's television programmes received final certification under the cultural test (84 in 2019), with a combined budget of £103 million (£87 million in 2019).
- ▶ A total of 262 video games received final certification (249 in 2019), with a combined budget of £455 million (£1.2 billion in 2019).

Screen sector certification

Qualifying as an official British production

Film

To access UK film tax relief or be eligible for other public support, such as Lottery funding, a film must be certified as British. To qualify as British, a production must pass the cultural test for film (under Schedule 1 of the Films Act 1985) or be certified as an official co-production under one of the UK's bilateral co-production agreements or the European Convention on Cinematographic Co-production. The cultural test has been in place since 2007, but was revised in 2014 to bring it in line with the more recent creative sector cultural tests.

The Secretary of State for Digital, Culture, Media and Sport is responsible for approving the issuing of interim and final certificates on the basis of recommendations made by the BFI Certification Unit. Projects seeking qualification under the cultural test may apply for interim certification either during production or when the project is complete, or may apply directly for final certification once the production has been completed and final documents submitted. Projects seeking qualification as official co-productions must apply for interim approval at least four weeks before principal photography begins and for final certification once the project is complete.

To qualify as British under the revised cultural test, films must receive a requisite number of points based on UK or European Economic Area (EEA) cultural elements for content, contribution, hubs and practitioners. A wide range of films qualified as British under the cultural test in 2020, including *1917*, *Shaun the Sheep: Farmageddon* and *Star Wars: The Rise of Skywalker*.

To qualify as British under one of the UK's official co-production agreements, films must be jointly certified by the appropriate authorities in each co-producing country. Each party co-producer is required to meet the criteria of the specific co-production agreement, which includes the creative, technical, artistic and financial input from each co-producer. Once certified, a film counts as a national film in each of the territories and may qualify for public support in that territory.

At the end of 2020, the UK had 12 active bilateral treaties in place, with Australia, Brazil, Canada, China, France, India, Israel, Jamaica, Morocco, New Zealand, the Occupied Palestinian Territories and South Africa. Official UK co-productions can also be certified under the European Convention on Cinematographic Co-production which allows for both bilateral and multilateral film co-productions. (The convention is governed by the Council of Europe, so is unaffected by the United Kingdom leaving the European Union.) Films which received final co-production certification in 2020 included *Fanny Lye Deliver'd*, *Little Joe* and *Sorry We Missed You*.

Television programmes

In 2013, the UK government introduced tax reliefs for high-end television (HETV) and animation programmes with the aim of boosting production investment in these creative sectors. (The cultural test for HETV programmes was revised in 2015.) Tax relief for children's television production was introduced in April 2015. To qualify as an official British HETV, animation or children's television production, projects must pass either the relevant cultural test (under Part 15A of the Corporation Tax Act 2009, as amended) or be certified as an official co-production under one of the UK's bilateral co-production agreements which allow television co-production. At the end of 2020, these were with Australia, Brazil, Canada, China, Israel, New Zealand, the Occupied Palestinian Territories and South Africa.

High-end television programmes receiving final certification in 2020 included *Giri/Haji*, *His Dark Materials Series 1*, and *Sanditon*. Animation and children's television programmes qualifying as officially British in the year included *Bing – Series 4*, *Horrible Histories – Series 8* and *The Worst Witch – Series 4*.

Video games

In 2014, the UK government extended creative sector tax reliefs to include video games development. To qualify as officially British a video game must pass the relevant cultural test (under Schedules 17 and 18 of the Finance Act 2013). Official co-production treaties do not apply to the video games sector.

Video games awarded final certification in 2020 included *Crackdown 3*, *Dreams* and *LEGO Jurassic World*.

Difference with Production statistics

The data for individual years in this chapter are not analogous with the statistics in the Production chapter which cover all film production and UK qualifying television and video games production activity by year of production start. This chapter covers only UK qualifying screen sector productions. These projects may have begun principal photography (or in the case of video games, development) in years prior to the one in which final certification was awarded.

Impact of COVID-19 pandemic

Unlike many other chapters of this yearbook, the COVID-19 pandemic has not had a large impact on the data presented in this chapter. This is because final certifications are issued after the completion of production, as such the majority of projects in the data had already completed production before the effects of the COVID-19 pandemic.



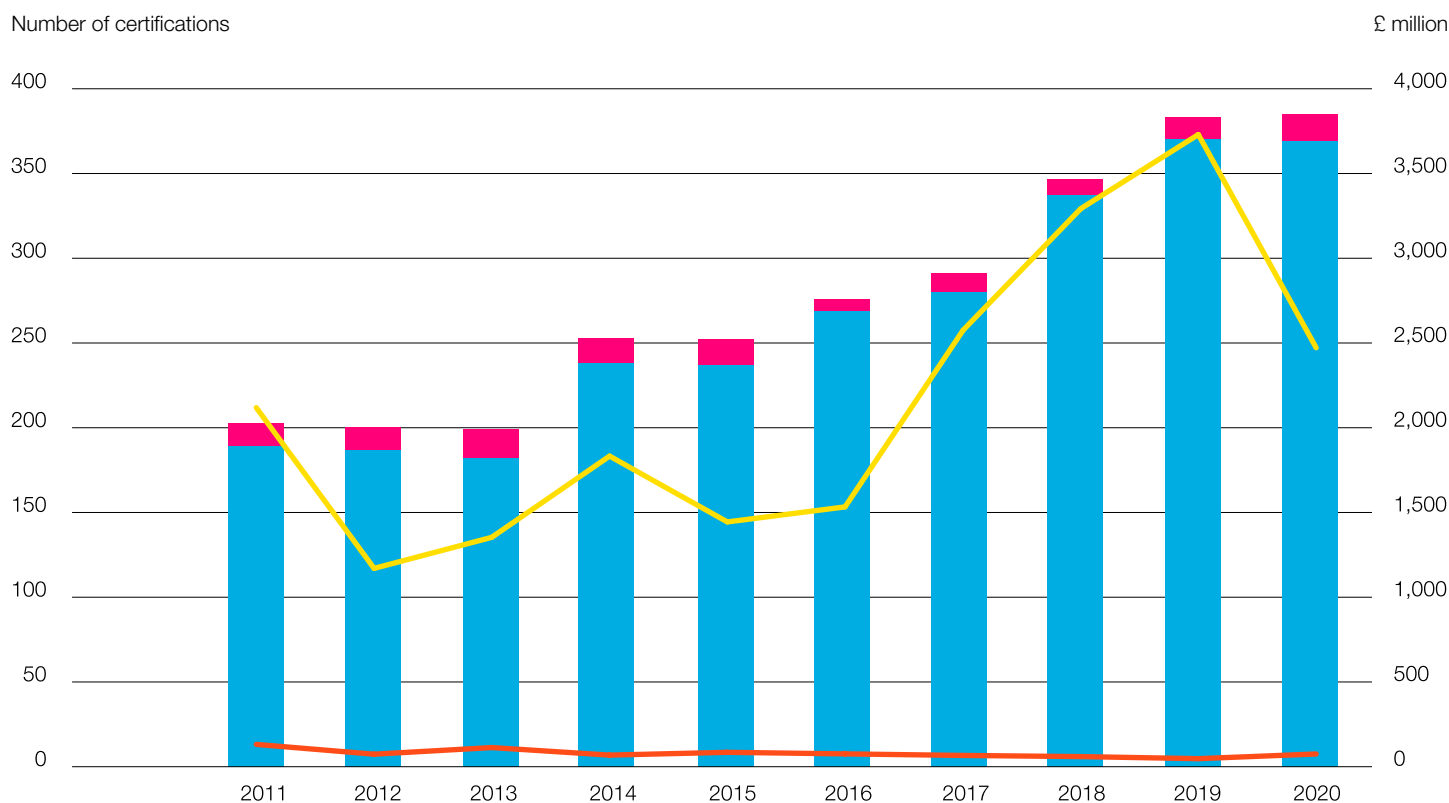
Image: *Little Joe* courtesy of BFI Distribution

Films with final certification, 2011-2020

The number of UK films receiving final certification increased substantially between 2011 and 2020. As Figure 1 shows, the number of finally certified films in 2020 (385) was almost double the total in 2011 (203). There was also an overall upward trend in the production value associated with these films, which rose from £1.2 billion in 2012 to £3.8 billion in 2019, before dropping to £2.5 billion in 2020. The increase, particularly from 2017 to 2019, is due primarily to a rise in the numbers of very high budget studio-backed films qualifying as British.

The numbers and overall budgets of co-productions with final certification remained low throughout the period.

Figure 1 Number and total production budget of films with final certification, 2011-2020



Number of final certifications

Co-production	14	13	17	15	15	7	11	10	13	16
Cultural test	189	187	182	238	237	269	280	337	370	369
Total	203	200	199	253	252	276	291	347	383	385

Total production budget (£ million)

Co-production	131.4	73.5	112.7	68.2	84.6	75.4	66.2	59.4	47.2	74.8
Cultural test	2,118.3	1,169.7	1,353.3	1,832.6	1,443.9	1,532.7	2,573.4	3,291.4	3,729.6	2,471.6
Total	2,249.7	1,243.2	1,466.0	1,900.8	1,528.5	1,608.1	2,639.5	3,350.8	3,776.8	2,546.4

Source: DCMS, BFI

Notes:

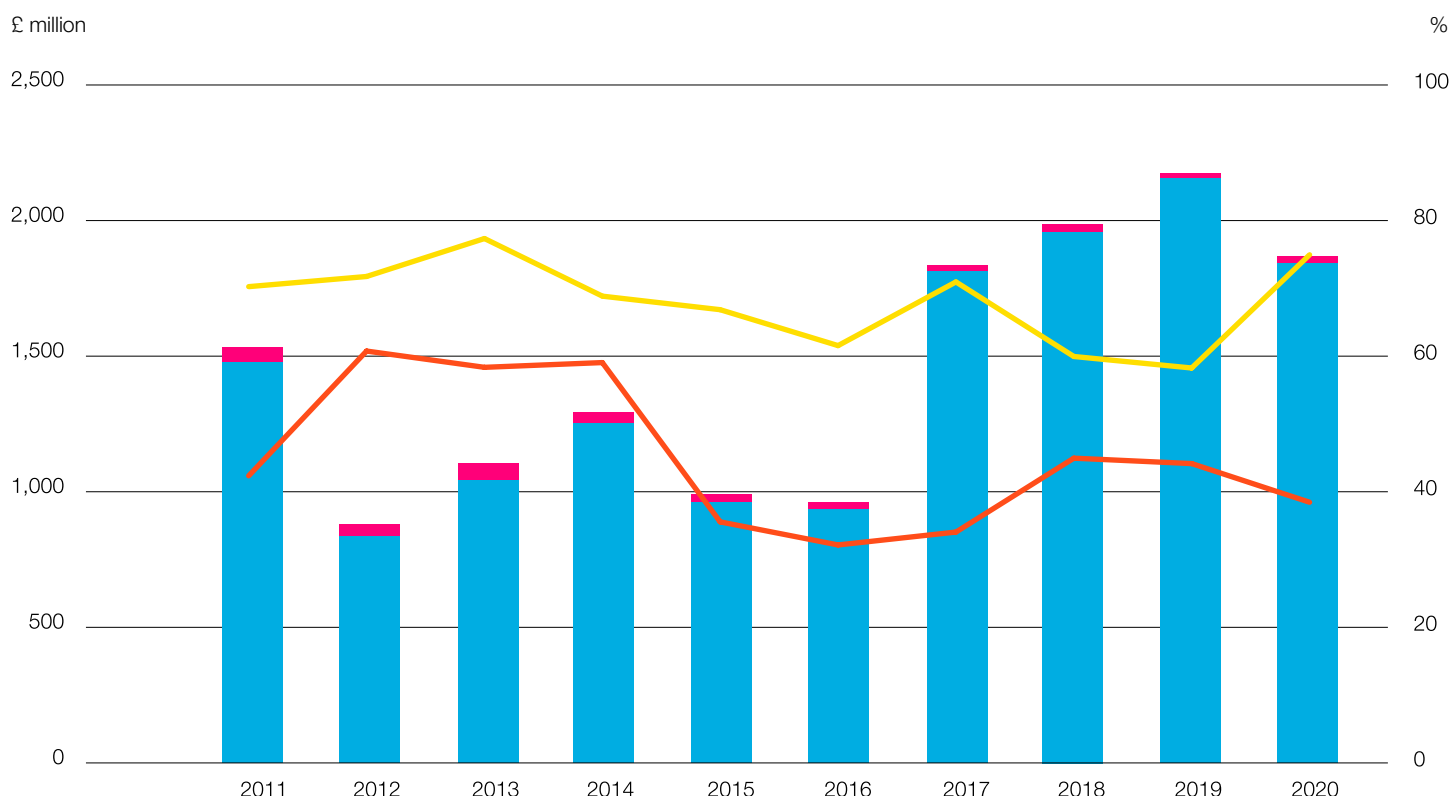
Total production budget is the sum of production activity in the UK and production activity outside the UK for cultural test films and total investment for co-productions.

Data updated since publication of the 2020 Statistical Yearbook.

Figure 2 shows the levels of UK spend associated with films receiving final certification between 2011 and 2020. (It should be noted that although the latest cultural test amendments allow wider European Economic Area cultural elements for content to be taken into account when a film is applying for certification as British, tax relief is only awarded to expenditure which is used or consumed in the UK.) While the level of overall UK spend has varied in the 10-year period, there was a substantial increase in 2017 and continued upticks in both 2018 and 2019. This was followed by a drop in 2020 though still the third highest ever recorded. The rise in overall UK production value from 2012-2020 is mainly due to the increase in the number of big budget films being certified under the cultural test. In 2020, the UK spend of certified films reached £1.9 billion.

As a share of total production budget, the UK spend of cultural test films between 2013 and 2019 saw a downward trend from a high of 77% in 2013 to a low of 58% in 2019, before increasing to 75% in 2020. The trends for co-productions are more unpredictable due to the small numbers of productions. In 2020, co-productions accounted for only 2% of the overall UK spend of films with final certification, compared with 4% in 2011.

Figure 2 UK spend of films with final certification and UK spend as % of total budget, 2011-2020



UK spend (£ million)

Co-production	55.0	44.3	65.3	40.0	29.7	23.9	22.2	26.4	20.6	28.4
Cultural test	1,478.5	834.2	1,041.2	1,252.8	959.0	936.3	1,813.6	1,958.2	2,156.0	1,842.5
Total	1,533.5	878.5	1,106.5	1,292.8	988.7	960.2	1,835.8	1,984.6	2,176.6	1,870.8

UK spend as % of total production budget

Co-production	41.9	60.3	57.9	58.6	35.1	31.7	33.6	44.5	43.7	38.0
Cultural test	69.8	71.3	76.9	68.4	66.4	61.1	70.5	59.5	57.8	74.5

Source: DCMS, BFI

Notes:

See note to Figure 1.

'UK spend' is the 'value of the production activities in the UK' for cultural test films and 'UK expenditure' for co-productions (bilateral and European Convention). UK spend for co-productions may include some expenditure on UK goods and services which took place outside the UK.

Data updated since publication of the 2020 Statistical Yearbook.

Budget distribution of films with final certification, 2011-2020

Table 1 shows the median budgets of films receiving final certification between 2011 and 2020. Median budgets for cultural test films have been fairly consistent over the majority of the period, ranging between £300,000 and £500,000. It dropped to £100,000 in 2020 mostly due to a large number of short films with lower total budgets receiving final certification in 2020. The median budget for co-productions has been more varied, peaking in 2017 at £5.7 million and with a low of £2.4 million in 2019. This fluctuation is a result of the relatively small volume of co-production activity over the period, as with low numbers the median is more susceptible to the effects of individual budgets.

Table 1 Median budgets of films with final certification, 2011-2020

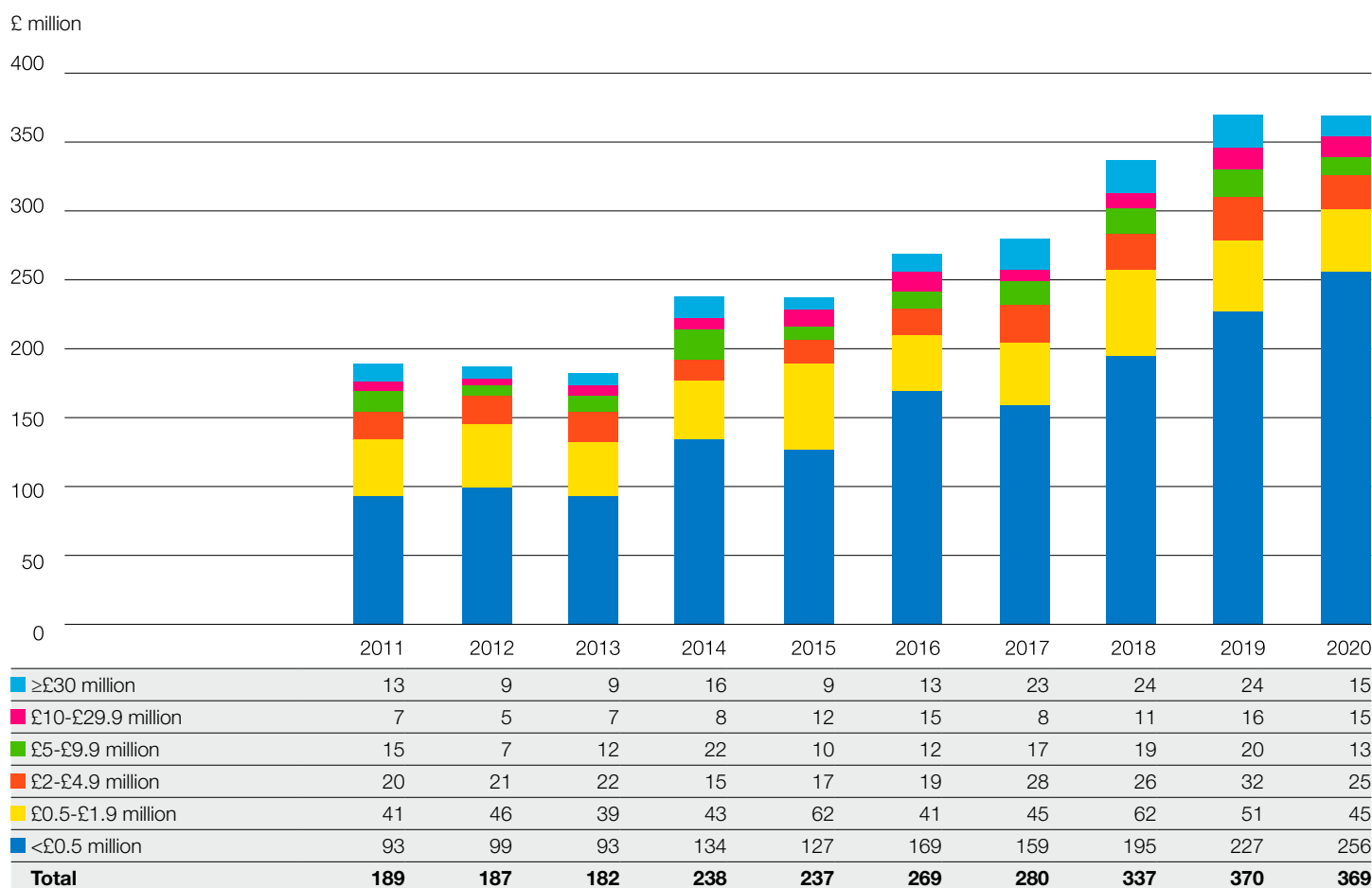
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cultural test (£ million)	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.1
Co-production (£ million)	3.8	2.8	3.7	4.0	3.8	4.8	5.7	4.1	2.4	3.2

Source: DCMS, BFI
See note to Figure 1.

Figure 3 shows the breakdown of films receiving final cultural test certification by budget band. Nearly all budget bands have seen increases since 2013 and the underlying distribution has remained roughly proportionate over the period. The exception to this can be found in films with budgets of less than £2 million. Whilst these films represented between 71% (2011) and 81% (2020) of total certifications over the period, the share for films in the lowest budget band (under £500,000) increased from 50% in 2011 to 69% in 2020, but the share for films with budgets between £500,000 and £1.9 million decreased from 22% to 12%.

As the annual numbers of film productions certified under the UK's co-production treaties during the period were low, figures are not disclosed to maintain confidentiality.

Figure 3 Films with final cultural test certification by budget band, 2011-2020



Source: DCMS, BFI
Data updated since publication of the 2020 Statistical Yearbook.

Table 2 shows the distribution of budgets for all films certified under the cultural test in the 10-year period. The 6% of films with budgets of £30 million or over accounted for 81% of the aggregate budget, while the 76% of films with budgets of under £2 million accounted for only 3%.

Table 2 Films with final cultural test certification, distribution by budget band, 2011-2020

Budget band	Number	% number	Total budget (£ million)	% budget
≥£30 million	155	5.8	17,373.6	80.7
£10-£29.9 million	104	3.9	1,640.4	7.6
£5-£9.9 million	147	5.5	1,065.1	5.0
£2-£4.9 million	225	8.5	737.1	3.4
£0.5-£1.9 million	475	17.9	477.6	2.2
<£0.5 million	1,551	58.4	222.8	1.0
Total	2,657	100.0	21,516.5	100.0

Source: DCMS, BFI

Figures/percentages may not sum to totals due to rounding.

The budgets for co-productions with final certifications between 2011 and 2020 are more evenly distributed than for cultural test films (Table 3). The majority of the aggregate budget (61%) is associated with films in the £5-29.9 million range, whereas films budgeted at £30 million or over account for only 15% of the total budget, compared with 81% for cultural test films. The table also highlights the small proportion of films with budgets of less than £500,000 (8%) compared with cultural test films (58%).

Table 3 Films with final co-production certification, distribution by budget band, 2011-2020

Budget band	Number	% number	Total budget (£ million)	% budget
≥£30 million	3	2.3	120.1	15.1
£10-£29.9 million	19	14.5	284.2	35.8
£5-£9.9 million	28	21.4	202.5	25.5
£2-£4.9 million	45	34.4	154.2	19.4
£0.5-£1.9 million	25	19.1	29.5	3.7
<£0.5 million	11	8.4	2.8	0.4
Total	131	100.0	793.2	100.0

Source: DCMS, BFI

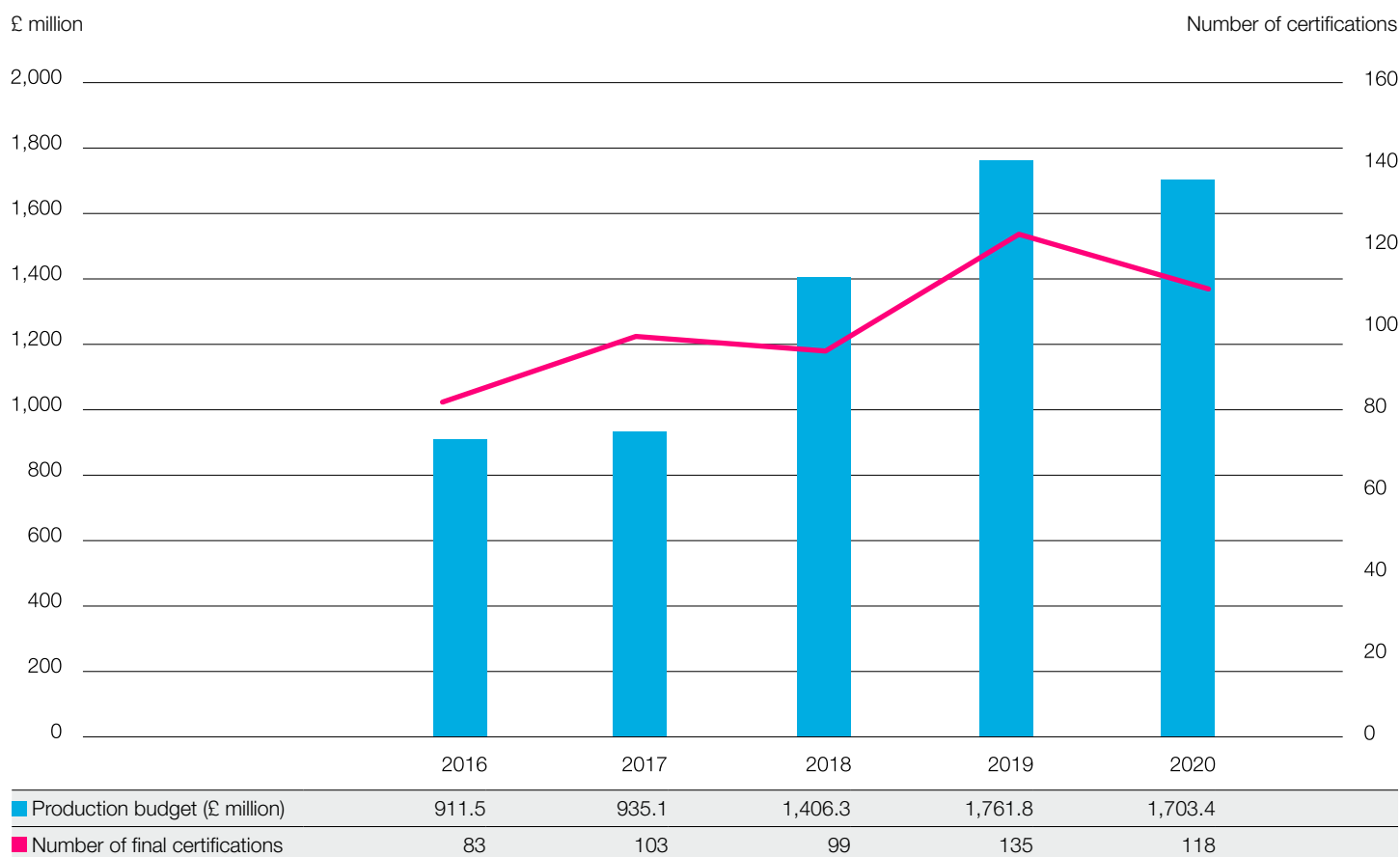
Note: Figures/percentages may not sum to totals due to rounding.

High-end television programme final certifications, 2016-2020

The number of HETV productions receiving final certification as British under the cultural test has fluctuated annually but has shown a general upward trend across the five-year period 2016-2020 (Figure 4). In 2020, 118 UK qualifying HETV productions received final certification, down from a record 135 projects in 2019. The total production budget associated with these projects decreased slightly from £1.8 billion in 2019 to £1.7 billion, (the second highest since the introduction of the tax relief).

As the annual numbers of HETV productions certified under the UK's co-production treaties have been consistently low over the period, figures are not disclosed to maintain confidentiality.

Figure 4 Number and production budget of HETV productions with final cultural test certifications, 2016-2020



Source: DCMS, BFI

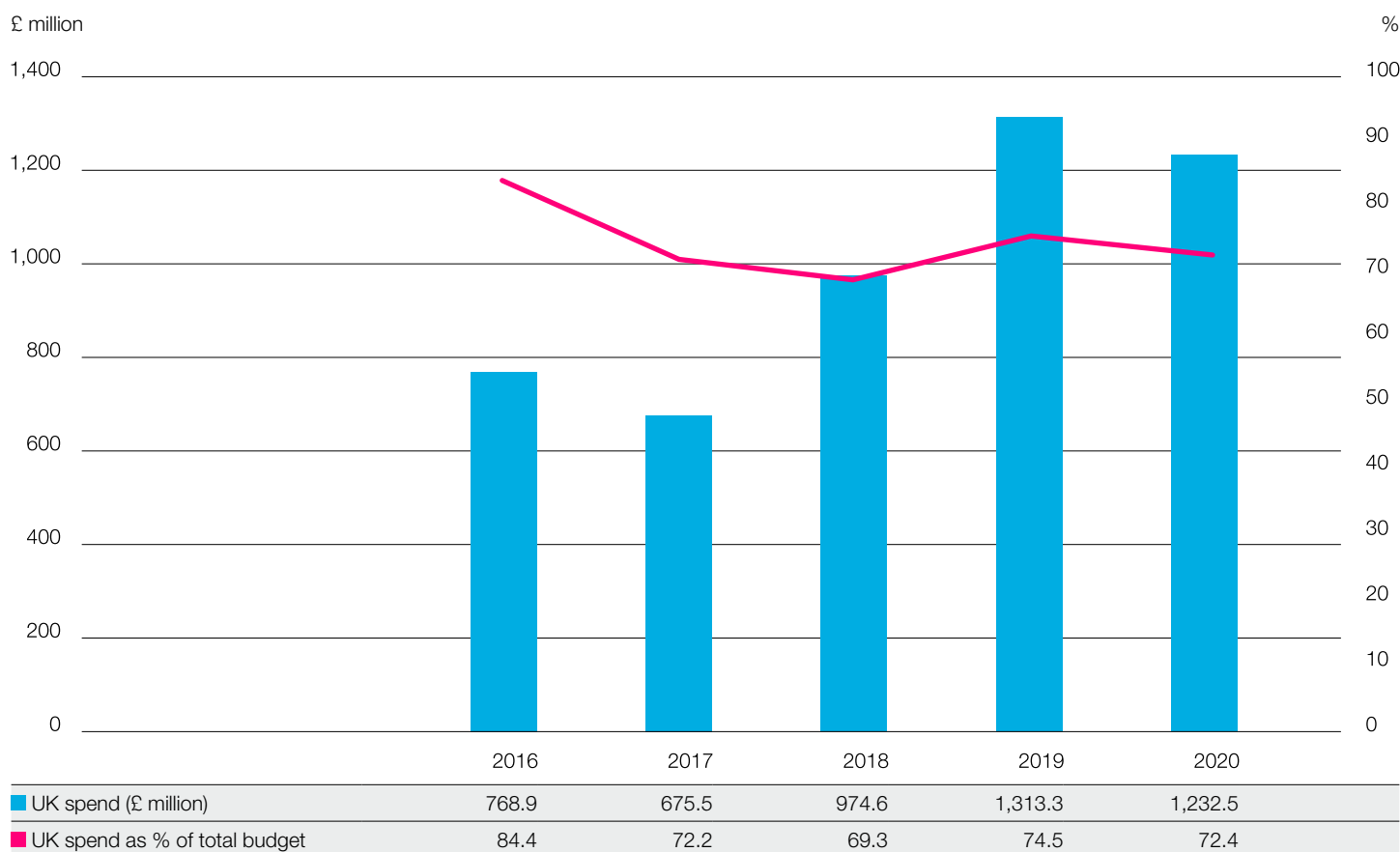
Notes:

A production can be a single programme or a television series.

Data updated since publication of the 2020 Statistical Yearbook.

Figure 5 shows the total annual UK spend associated with HETV projects certified under the cultural test between 2016 and 2020. There has been year on year fluctuation but an overall upward trend in the level of spend, with an increase from £769 million in 2016 to a record £1.3 billion in 2019, before dropping slightly to £1.2 billion in 2020. As a percentage of total budget, UK spend decreased from a high of 84% in 2016 to 72% in 2020, indicating a rise in the number of HETV productions which make use of foreign locations and facilities.

Figure 5 UK spend of HETV productions with final cultural test certifications and UK spend as % of total budget, 2016-2020



Source: DCMS, BFI

Notes:

A production can be a single programme or a television series.

Data updated since publication of the 2020 Statistical Yearbook.

For the majority of the period, the average median budget per minute of HETV productions receiving final certification under the cultural test was between £23,000 and £26,000 (Table 4). However in 2020, the median budget per minute increased to over £30,000, this reflects an increase in the number higher budget projects with shorter total running times.

Table 4 Median budgets of HETV productions with final cultural test certification, 2016-2020

Year	Median budget per minute (£)
2016	22,818
2017	22,764
2018	25,721
2019	24,808
2020	30,563

Source: DCMS, BFI

Notes:

The median is the middle value, i.e. there are equal numbers of productions above and below the median.

A production can be a single programme or a television series.

Data updated since publication of the 2020 Statistical Yearbook.

Animation television programme final certifications, 2016-2020

As Table 5 shows, 65 animation television productions received final certification as British under the cultural test in 2020, up from 60 projects in 2019 and the highest number of the period 2016-2020. The total production budget for animations certified under the cultural test was £111 million, down slightly from a record high of £125 million in 2019, while the associated UK production spend value was £81 million, again a decrease from a high of £89 million in 2019. In 2020, the UK spend for these projects as a percentage of total budget was 72%.

As the annual numbers of animation television productions receiving final certification under the UK's co-production treaties have been low throughout the period, figures are not disclosed to maintain confidentiality.

The median budget per minute for animation television projects certified under the cultural test has averaged around £7,000 over the period. In 2020, the median budget per minute was £7,556.

Table 5 Animation television productions with final cultural test certifications, 2016-2020

	2016	2017	2018	2019	2020
Number	38	39	57	60	65
Total budget (£ million)	62.2	50.2	76.0	124.6	111.4
UK spend (£ million)	44.5	42.8	52.5	88.7	80.6
UK spend as % of total budget	71.5	85.4	69.1	71.2	72.4
Median budget per minute (£)	8,548	3,836	7,426	6,640	7,556

Source: DCMS, BFI

Notes:

The median is the middle value, i.e. there are equal numbers of productions above and below the median.

A production can be a single programme or a television series.

Data updated since publication of the 2020 Statistical Yearbook.

Children's television programme final certifications, 2016-2020

The volume and value of children's television productions with final cultural test certification increased substantially between 2016 and 2020 (Table 6). The number of certifications increased to 89 in 2020 from 84 in 2019, and the total production budgets and UK spend associated with these projects increased to £103 million and £101 million respectively. All of these metrics are the highest since the introduction of the tax relief in 2015. The UK spend as a percentage of total budget has been consistently higher for children's television projects than the other production categories in this analysis; in 2020 it was 99%.

As the annual numbers of children's television projects certified under the UK's co-production treaties in the period have been low, figures are not disclosed to maintain confidentiality.

The median budget per minute for children's television projects certified under the cultural test has shown less variance over the period than for other production categories. In 2020, the median budget per minute was £2,532.

Table 6 Children's television productions with final cultural test certifications, 2016-2020

	2016	2017	2018	2019	2020
Number	36	65	87	84	89
Total budget (£ million)	25.4	49.9	89.1	86.8	102.5
UK spend (£ million)	25.0	46.2	86.2	85.8	101.2
UK spend as % of total budget	98.5	92.6	96.8	98.8	98.8
Median budget per minute (£)	1,952	1,793	2,028	2,336	2,532

Source: DCMS, BFI

Notes:

The median is the middle value, i.e. there are equal numbers of productions above and below the median.

A production can be a single programme or a television series.

Data updated since publication of the 2020 Statistical Yearbook.

Video games final certifications, 2016-2020

A record 262 video game projects received final certification as British in 2020, up from 249 in 2019 (Table 7). The total budget for these projects was £455 million, down substantially from £1.2 billion in 2019, while the associated UK spend was £419 million, down from £624 million in 2019. The large decrease in the value of these projects from 2019 is partly down to a small number of very high budget international projects receiving certification in that year, and it should be noted that the figures for 2020 are significantly higher than all the other years excluding 2019. The UK spend as a percentage of total budget for qualifying video games projects was 92% in 2020, up from 52% in 2019.

The median budget for video games with final certification in 2020 was £97,784, the lowest since the introduction of the tax relief.

Table 7 Video games with final certification, 2016-2020

	2016	2017	2018	2019	2020
Number	189	212	195	249	262
Total budget (£ million)	224.5	277.5	263.9	1,206.7	454.6
UK spend (£ million)	202.2	248.8	201.9	624.2	418.7
UK spend as % of total budget	90.1	89.7	76.5	51.7	92.1
Median budget	171,584	142,425	180,490	150,607	97,784

Source: DCMS, BFI

Notes:

The median is the middle value, i.e. there are equal numbers of video game projects above and below the median.

Video games can only qualify as British for the purpose of the relief through the cultural test.

Data updated since publication of the 2020 Statistical Yearbook.

Children's television programme final certifications.



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