BBC Guidance on Location and Production Incentives for Independent Producers

This guide covers the BBC approach to location and/or geographical production incentives used to finance independent film and television productions commissioned by the BBC.

The policy does **NOT** apply to:

- third party financing under a co-production arrangement;
- commercial third party distribution/sales arrangements e.g. a rights pre-sale where finance is exchanged for broadcasting, publishing or other rights in the content produced by the independent producer;
- other financial investment or debt/loan finance in BBC programming or films (e.g. through banks) which is permitted elsewhere under the BBC’s constitution; provided always that investment is via a suitable partner and in all other respects complies with the relevant sections of the BBC’s Editorial Guidelines.

For information on funding via private equity financiers, grants from Trusts & Foundations and Crowdfunding please speak directly to your BBC Business Affairs contact.

**Why we need Guidance:**

The use of location incentive and other tax credit schemes in relation to television and film production is commonplace; however, this Guidance is intended to ensure compliance with the BBC’s regulatory framework as well as the BBC Editorial Guidelines which cover editorial integrity in programming broadcast on BBC services.

There are 3 key principles to be maintained:

- The BBC’s editorial impartiality and integrity must not be or be seen to be compromised;
- The BBC’s choice of partners must be appropriate and must not bring the BBC into disrepute;
- The BBC may not broadcast or otherwise make available sponsored programmes – a sponsored programme has had some or all of its cost (which can be money or money’s worth) met by a ‘sponsor’ with a view to promoting its name, image, activities, services, products, interests etc. whether directly or indirectly.

The BBC’s policy for use of location and production incentives applies across all its output.

**Compliance with this Guidance is a contractual requirement of the BBC's General Terms for the Production of Television Programmes by Independent Producers.**

A one-page checklist on the considerations and requirements for Executive Producers wishing to access Location or Production Incentive Schemes can be found [here](#).
Application of the Guidance across all television genres:

Genres which MAY consider location and production funding are:

- BBC-commissioned drama, comedy, entertainment and children’s programmes
- BBC Films
- BBC-commissioned factual productions where the funding could not undermine the BBC’s integrity or impartiality

Some categories of programming CANNOT access location incentive and/or tax break schemes (regardless of the actual facts of editorial influence). These are:

- Programmes commissioned by Television from the News & Current Affairs slate with the sole exception of current affairs programmes seeking to access Creative Europe funds (previously the EU Media Fund). Any application for Creative Europe money is subject to referral to the BBC’s Director, Editorial Policy. The form for referral is available from your BBC Business Affairs contact.

- Factual programmes focusing on the current politics of a country must not accept funding from schemes operating there.

Types of location and production incentives:

Schemes offering such incentives fall into two categories:

- **Non-Discretionary Schemes** - These funds generally flow directly from government agencies and the governments administering the schemes retain no discretion as to which projects can access these tax breaks and incentives - a production is automatically entitled to get such a rebate if it meets certain criteria. There is no editorial input.

- **Discretionary Schemes** - These funds are frequently operated through some type of Film Commission or Screen Agency (e.g. UK screen agencies, Irish Film Board and the Canadian Television Fund) and operated independently of government. They evaluate the projects applying for funding, usually on the basis of support of local talent, local creativity, the economic value to the geographical area they serve and the commercial viability of the project. It is this decision-making process and the inherent judgement of a project which requires a thorough evaluation of whether accessing funds from these bodies would (or could be perceived to) impact editorial integrity.

Guide for the independent production company:

*Your Executive Producer is responsible for the compliance of discretionary and non-discretionary schemes with the BBC approach and must include details on the programme Commissioning Specification so that use of the scheme can be included in the BBC’s programme finance approval process.*
STEP 1: Assessing the appropriateness of the fund

Your Executive Producer is responsible for assessing the appropriateness of accessing any finance scheme for the individual commission. You should ask “could the access to funds from the scheme (including any editorial aspects required to satisfy the scheme’s requirements) be seen to undermine the BBC’s editorial impartiality and integrity?”.

Non-discretionary schemes require less intensive analysis. Ensure you are comfortable that the scheme complies with the Editorial Guidelines (NB any suggestion of sponsorship, impartiality and credits required). If the scheme is discretionary, proceed to STEP 2, if not, check through STEPS 3-5.

STEP 2: Accessing discretionary schemes

A discretionary scheme exercises its own judgement to determine which projects it supports so more intensive analysis is required to ensure compliance with the BBC constitution and guidelines. Check with your BBC Business Affairs contact to see whether an assessment of the scheme has already been done by the BBC. If it has not, you need to do your own initial assessment. Some things to consider are:

- Does the fund have a constitution and governance structure that is separate from state or Government on individual decisions taken, and/or are the published aims and objectives of the scheme consistent with the BBC’s Editorial Guidelines e.g. free from party-political ambitions?
- To the extent known and/or publicly disclosed by the fund, in line with its own confidentiality provisions, have the fund’s criteria been applied to individual decisions in a manner consistent with the BBC’s editorial integrity and impartiality?
- If the scheme is funded by a Member State of the European Union, and therefore subject to European state aid regulations, has the scheme confirmed that it is operating in compliance with the Cinema Communication of the European Commission? If it has not, then this needs to be checked.

STEP 3: State Aid intensity and compatibility with other schemes

In addition to the compliance of individual schemes with state aid law (as referred to above), where there are a number of funding sources, consideration should be given to whether their application may push the total funding over the qualifying state aid intensity thresholds. This might ultimately lead to a budget deficit. To clarify this you should review the thresholds in the Cinema Communication and related legislation, including any special allowances for the BFI classification “difficult British film”. Consideration should also be given to the compatibility of one scheme with another when carrying out this assessment.
STEP 4: Mandatory referrals to the BBC

For certain categories of programmes, there is also a mandatory referral to Controller, Editorial Standards in BBC Television as well as consultation with BBC Editorial Policy before funding may be accepted for a BBC commission. This consultation would be led through the BBC Commissioning Executive Producer or your BBC Business Affairs contact. These programmes are:

- All **topical factual** productions
- **Factual drama** productions focusing on the current politics of a country where the alternative finance scheme is being considered
- Any proposal which requires a substantive change to a **well-established BBC programme brand** as a result of seeking access to location and/or production incentives
- Any **current affairs programme/content** that is seeking to **access a Creative Europe scheme**.

STEP 5: Keep full and accurate records

In order to ensure that the BBC can exercise its audit rights under the BBC General Terms, the independent producer must ensure it maintains complete and accurate records of all sources of finance in a programme. This will also enable the independent producer to demonstrate that it has complied with all relevant BBC guidelines in connection with such funds.

The independent producer will be required to indicate on the **Commissioning Specification**, forming part of its production agreement with the BBC, whether the commissioned content is being financed by any alternative sources of finance such as those covered by this Guidance, and which individual is taking responsibility for compliance with this Guidance.

STEP 6: End credits

For both discretionary and non-discretionary schemes, credits may be given to acknowledge the enabling role of funders, indeed, end credits for the schemes are often a requirement of funders. Credits provide transparency and should be used proportionately and in a manner likely to convey accurately the relationships between the funding and the programme.

Where governments operate the schemes, no impression should be given that there has been any influence on the editorial content of the production. Where schemes are frequently accessed, the BBC may seek to agree with the scheme a standard form of credit when providing its general approval of a scheme and, in so doing, may require that the usual wording, logo or layout is renegotiated in respect of each BBC project before funding is accepted. NB there are particular sensitivities where credits refer to governments or government departments, or related insignia such as flags because these can give the impression of state influence. For any new scheme, such requirements must be referred to BBC Editorial Policy.

**Dual credit requirements**: as a rule the BBC does not credit funders of funders. It is, however, often a requirement of accessing a funding scheme where there is a source of funding that is separate to the department, body or screen agency administering the scheme and both parties require credits. These requirements need to be assessed on a case by case basis by the Executive Producer, working
with Editorial Policy so please work with your BBC Business Affairs Contact to ensure this happens expeditiously.

Some elements to consider:

- If the underlying source of funding would in its own right be a scheme which would be approved by the BBC as an appropriate source of alternative finance, within this Guidance, then it may be possible for a credit to be given. An example of this might be the European Regional Development Fund which is focused on reducing economic disparities within and between Member States by supporting economic regeneration and safeguarding jobs. The ERDF makes funding available to Member States and is commonly used to fund schemes e.g. through national or regional screen agencies.
- Is the dual credit an absolute requirement of the fund?
- Is the credit proportionate to the level of funding from the source to the scheme?
- Is the form of the credit appropriate? Does it accurately portray the relationship between the funder and the administrating agency?
- Does it accurately reflect the amount of finance invested in the programme as compared to other investors?

Crediting enables transparency which is extremely important in matters of alternative finance. Please follow the BBC Credit Guidelines which are summarised below:

Acceptable:
- Appropriately sized compared to the amount of funding (and the funding of other investors)
- Appropriately discrete use of colour (B&W preferred)
- Rolling end credit
- Credit/logo on static end board PROVIDED it is on a slide/screen with other funders (see Credit Guidelines) and not on its own
- Appropriately ordered e.g. Screen Yorkshire in association with the ERDF; Creative Scotland supported by the National Lottery
- Produced with the support of Welsh Government

Unacceptable:
- Front end credits whether static or rolling, with the exception of films and/or productions intended for theatric release (where all proposed exceptions must be referred in advance to Content (Claire Powell) and Editorial Policy (Natalie Christian) in every event before they are agreed)
- Credit/logo on its own on static and separate end board
- Outsize/disproportionate credit compared to the amount of funding
- European or national flag in colour (save where all other logos are in colour)
- Colourful logos undermining the screen agency’s own logo
- Animated logos
- Logos containing any slogan or website

Compliance with the BBC Credit Guidelines is a contractual requirement of the General Terms.