BBC Policy on Location and Production Incentives

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

This guide covers location and/or production incentives used in financing independent film and television productions for the BBC.

The policy does not apply to third party financing under a co-production arrangement i.e. where finance is in exchange for broadcasting, publishing or other rights in the content produced by the independent producer.

Distribution/sales arrangements are therefore not subject to review under this policy. However, the independent producer needs to ensure that all sources of third party funding comply with the BBC Editorial Guidelines in the usual way.

1. Key principles

There are three key principles relating to the use of location and production incentives across BBC commissioned output:

- The BBC’s editorial impartiality and integrity must not be, or be perceived to be, compromised and the BBC must retain editorial control of the content funded by such finance;
- The choice of partners must be appropriate and must not risk bringing the BBC into disrepute;
- BBC Services may not broadcast or otherwise make available sponsored programmes or carry advertising, so arrangements with external organisations must not give any impression that content on a BBC Service is commercially sponsored.

These principles are reflected in the BBC Editorial Guidelines and form part of the BBC’s constitutional.

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

2. Application of the policy across all Vision genres

The list of 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 in no way undermine the BBC's integrity or impartiality

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

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

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

3. 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.

These discretionary schemes 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 that is entailed which requires the BBC to evaluate whether accessing funds from these bodies would (or could be perceived to) impact editorial integrity.

The independent producer, as the party applying for any incentive funding, is responsible for ensuring that the provision of any such funding to an individual project complies with this policy and the BBC Editorial Guidelines.

4. Guide for the independent production company

The independent Executive Producer is responsible for the compliance of discretionary and non-discretionary schemes with BBC policy.

**STEP 1: Assessing the appropriateness of the fund**

In every case, the independent Executive Producer is responsible for assessing the appropriateness of accessing any scheme for the individual commission. This is the same question an independent producer must always ask on all programming - i.e. 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 impartially and integrity.

**STEP 2: Accessing discretionary schemes**

If a funding scheme exercises its own judgement to determine which projects it supports, check whether an overall assessment of the scheme has taken place by the BBC.

For your information the criteria the BBC uses for assessment of a scheme 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 relevant 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, or the independent producer seeking to access the scheme, confirmed that it is operating in compliance with the Cinema Communication of the European Commission?

If it is non-discretionary, then the scheme may be used provided STEP 1 is applied at all times to each individual production.

**STEP 3: Mandatory referrals to the BBC**

For certain categories of programmes, there is also a mandatory referral to Controller, Editorial Standards in BBC Vision - and 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.

- 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 the EU Media Fund.

**STEP 4: 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 that it maintains a complete and accurate record 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 and policies 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 covered by this policy, and which individual is taking responsibility for compliance with this policy.

5. **End credits**

For both discretionary and non-discretionary schemes, credits may be given to acknowledge the enabling role of funders.

End credits for the providers of tax breaks and location incentives are often a requirement of funders. They provide transparency and will assist the independent producer to assess the appropriateness of accessing the grant for the production.

Where governments provide tax breaks or location incentives, no impression should be given that there has been any influence on the editorial content of the production.
Credit wording for individual projects will be agreed by a senior representative from the Business Affairs and the relevant BBC Commissioning Executive Producer. All credits should comply with the BBC Credit guidelines.

The BBC’s reputation for impartiality and integrity is crucial and its audiences must be confident that the outside activities of programme makers do not undermine the BBC's impartiality and that editorial decisions are not influenced by any commercial or personal interest. If you have a commercial relationship of any sort with any organisation or third party (under which you, or anyone close to you, receives payment or benefit in kind) you may not under any circumstances use, wear or otherwise promote their goods, services or views in any BBC content and you agree not to make use of or reference to your association with the BBC, or any BBC content in any commercial context.

If you are likely to be involved in editorial decisions about the programme or are engaged to take part in Consumer or Lifestyle programming you must declare prior to signature of this agreement your relevant outside commercial, business, financial or personal interests or activities which are connected to the subject matter of the programme and/or could be perceived as a conflict of interest or which might reasonably be considered to influence or otherwise affect your contributions to the programme/BBC content. You should also declare to the programme's producer any such interests or activities which may provide for a conflict of interest which arise during the course of this Engagement.