

**SCREEN SCOTLAND
SGRÌN ALBA**

SCREEN FUNDING

BROADCAST CONTENT FUND

GUIDANCE 2018/19



Awarding funds from
THE NATIONAL LOTTERY®



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SCREEN SCOTLAND SGRÌN ALBA

Screen Scotland is the new dedicated partnership for screen in Scotland, delivering enhanced support for all aspects of Scotland's screen sector.

Screen Scotland is leading the growth of the sector through increased funding and support for film and television production, an increase in specialist staff and further investment in skills, festivals, audiences and education.

Screen Scotland sits within Creative Scotland and is a partnership with Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland, Scottish Funding Council, with funding from the Scottish Government and the National Lottery.

We are funding, developing and growing Scotland's screen sector by:

- Boosting production by increasing funding and support to grow the number and diversity of film and TV productions from Scotland
- Creating specialist business development provision for screen businesses ensuring that advice and support is appropriate and easy to access
- Improving employment opportunities in the sector through increased and co-ordinated opportunities for training and development
- Developing audiences by improving access to Scottish film and TV productions at home and internationally
- Growing and improving Scotland's screen infrastructure including studio facilities
- Developing Scotland's reputation as a destination for international productions and co-productions, supported by our world-class talent, crews, facilities and unique locations.

What is the purpose of the Broadcast Content Fund?

The Broadcast Content Fund aims to help the sustainable growth of Scotland's broadcast production sector, encouraging the development of new projects, the scaling up of already successful activities and the production of commissioned programmes. The Broadcast Content Fund is one of the key new measures being taken to ensure that by 2022/23:

- a) Production spend in Scotland is doubled; and
- b) Scottish production company growth is increased to boost the number (from two to six) reaching the UK top 50 with turnover greater than £10m.

The Fund has an allocation of £3m for the period 2018/19 and is available to 'Eligible Production Companies' (see 'Who is eligible to apply' section) with eligible projects. Funding is awarded in the form of a recoupable grant.

We will prioritise projects which have the potential to generate lasting benefits to build companies of scale, reflect or promote Scottish culture, creativity and diversity, as well as projects which offer significant opportunities to people currently under-represented in the screen sector.

What is Broadcast Content?

By broadcast content we mean a single or a series of audio visual works intended for commercial distribution to a dispersed audience via any electronic mass communication medium, including but not limited to television broadcast, digital broadcast and streaming platforms in a one-to-many model.

The fund will not normally support the development or production of a single or a series of audio visual works intended for self-distribution, such as web-series.

The Broadcast Content Fund accepts applications for all genres of broadcast content including factual and scripted programming where there is a clear and demonstrable need for public funding.

What are the funding routes?

There are two routes to funding. These are:

1. Broadcast Content Development Funding:

Support towards the development costs of a single project or a slate of projects.

2. Broadcast Content Production Funding:

Support towards the production costs of a single project (one-off or a series).

Who is eligible to apply to the Broadcast Content Fund?

The following are eligible to apply for funding from the Broadcast Content Fund:

'Eligible Production Companies'

1. Scottish Production Companies: production companies who;

- a) Are headquartered or have a substantive business and production base in Scotland; and have an established track record of broadcast productions; or
- b) are a start-up production company headquartered in Scotland with an experienced management team who have previously held senior positions within an established production company or broadcaster.

2. Non-Scottish Production Companies: production companies who are not headquartered in Scotland but who;

- a. are established in an EU/EEA State; and
- b. have a permanent branch or agency in Scotland at the time that funding from the Broadcast Content Fund is defrayed. If there is no such permanent branch or agency at the time funding is defrayed but the project involves a "meaningful co-production" (see point 3 below) with a Scottish Production Company then we may consider an application for funding; and
- c. have an established track record of broadcast productions or are a start-up production company with an experienced management team who have previously held senior positions within an established production company or broadcaster.

3. Co-Producing Non-EU/EEA State Producers: production companies who:

- a. are based outside the EU/EEA;
- b. have an established track record of broadcast productions;
- c. are co-producing the project with a Scottish Production Company where the role of the Scottish Production Company in the co-production is meaningful. Whether a Scottish Production Company's role is "meaningful" will be assessed by reference to issues such as creative involvement, ownership of copyright, respective roles of the parties, credits and financial terms (including fees and net profit participation).

Overall, we strongly encourage applications from Eligible Production Companies who are seeking to build on existing strengths or who are looking to create new opportunities for growth through innovation.

NB: Where the current **OFCOM Review** confirms an updated definition of 'regional production' or being based in a 'region' then this will apply generally to this guidance.

What are the key criteria used to assess an application to the Broadcast Content Fund?

The decision on which applications will be funded will be based on an assessment of the overall balance of how far a project meets some or all of the following key criteria:

- The project, or idea, has the potential to drive the sustainable expansion of the screen sector in Scotland and of production companies based in Scotland;
- The project demonstrates the ability to be a high-quality work that promotes Scotland's culture and creativity and can attract a national and international audience;
- The project provides significant opportunities for the creative and professional development of established and emerging writers, directors, producers as well as craft and technical talent based in Scotland;
- Projects which directly support Scotland's screen workforce to overcome known skills gaps and support approved skills and talent development programmes in Scotland will be prioritised;
- The writer(s), director(s), producer(s), or a majority of the key creative team, attached to the project are residents of Scotland (irrespective of nationality).

- The project demonstrates the ability to be successful creatively and reach its audience, and will make a positive contribution to the Scottish economy;
- Subject to **State Aid rules**, we would normally expect that at least 50% of the budget of any project is spent in Scotland. We will prioritise projects which can demonstrate the greatest benefit to Scotland overall.

Equalities, Diversity and Inclusion

As a public funder, Creative Scotland is committed to addressing the lack of diversity in film and television, as outlined in our review of equalities, diversity and inclusion in Scotland's screen sector, **Equality Matters** (2017) and elsewhere.

A proactive approach to increasing diversity can improve screen projects creatively, fuelling innovation and creativity, and engaging audiences through a wider range of stories, perspectives and experiences. It can also benefit projects commercially, attracting wider audiences and generating greater revenues. Creative Scotland believes that true representation both on and off screen is vital for the sustainability and equity of the screen sector.

Applications for support to all screen funds will be strengthened by a specific and targeted contribution to improving diversity. Companies funded by Creative Scotland will be expected to follow the diversity and inclusion guidelines of the broadcasters involved in the project. For example, **Project Diamond** is an industry-wide diversity monitoring system used by the BBC, Channel 4, Channel 5, ITV and Sky, and supported by Pact and Creative Skillset, through the Creative Diversity Network (CDN).

FUNDING ROUTES – ROUTE 1

Broadcast Content Development Funding

The aim of this funding is to support the development of a range of projects across all genres that reflect Scotland’s culture, creativity, diversity and languages.

We will support projects that have the potential to be distinctive, high-quality and commercially and/or creatively-driven. Projects should have the potential to engage and entertain audiences in Scotland, the UK and internationally. We will support projects that enable production companies to take creative risks, however we will also support production companies looking to increase the scale of their already successful activities.

What can I apply for?

This funding route will support the following development activities (please note this list is not exhaustive and is only intended to be used as a guide):

- Payment to option the rights to formats; adaptation of pre-existing works; and rights to secure access
- Development of the treatment, outline and/or screenplay
- Script editing, story development, creative project development
- Research
- Mood boards, concept art work and/or storyboards
- Taster/sizzle reels
- Costs relating to travel, accommodation and subsistence of key personnel involved in the project
- Budgeting and scheduling
- Casting
- External legal costs associated with rights options and clearance (e.g. writers/option/access agreements).

There is no requirement for early stage development projects to have broadcaster interest or committed co-funding. However, where a project does have broadcaster interest or a commitment to provide part of development funding for a project, then these projects will be given priority.

Funding is available for both individual projects, and for a “slate” of projects. Slate funding should be for a minimum of 3 projects, but there is no maximum number of projects that can be applied for.

What do I need to consider before applying for Broadcast Content Development Funding?

- **Commercial rationale:**

You should explain the commercial rationale for this development funding, and specifically how this will allow your company to secure additional commissions or take advantage of specific opportunities within the marketplace. We encourage innovation but equally we will support producers who wish to increase the scale of their already successful activities.

- **Provision of a detailed budget and development plan:**

You should include a detailed development budget with your application and a detailed plan explaining what activity you will undertake and the timescale.

- **Production company overheads:**

You may include reasonable overheads and staff costs in your budget which should be commensurate with the level of work undertaken and the scale and nature of the proposed project and proportionate to the development spend and activities which are being funded. We would not expect production companies to take a production fee on development. Please note we will only make a contribution towards your overall business overheads and we will not cover 100% of the general running costs associated with your business. However, where the development budget includes provision for specific personnel or staffing for the purposes of the planned development, then this is acceptable.

- **Rights:**

You will need to demonstrate that you will acquire or licence all the rights necessary to produce and exploit the projects developed. We will consider funding projects that have already undergone some initial development, however you cannot apply for funding to cover costs already expended on such projects, i.e. we cannot retrospectively fund activity that has taken place before an application has been made and before we have decided on whether to fund the project.

- **Repayment of development funding:**

If your project goes into production, you will be required to repay the development funding (with no premium) on the first day of principal photography (or the main filming period on a documentary/factual programme). If this happens, and if you are eligible, we will ring-fence this money for you in a 'locked box' and you will be able to draw it down to spend it as if it was your own funding, on the development or production of your next project(s) or on staff training and development, subject to certain conditions. Please see Appendix B for further information on the Locked Box Scheme.

Where the development funding has been provided for a slate of projects, and in the event that the company secures an agreement to fully finance a project developed as part of the slate (or based on such project), you will be required to repay an amount equal to the amount of the development funding spent on that particular project (with no premium) on the first day of principal photography (or the main filming period on a documentary/factual programme) if your project goes into production.

- **Profit participation:**

The fund shall be entitled to a net profit share of up to a maximum of 5% of 100% of net profits of the supported project(s).

- **Credits:**

You will be required to use best endeavours to provide a development credit to Creative Scotland on the end credits of each relevant project which proceeds to production, in a form which will be set out in the funding agreement. Any Creative Scotland credit will be subject to applicable broadcaster credit guidelines.

Who can apply?

We will accept applications for Broadcast Content Development Funding from Eligible Production Companies (see definition in 'Who is eligible to apply' section on page 4).

If you are a producer or writer or director that has yet to make your first broadcast commission, then we would encourage you to work with an Eligible Production Company to advance your project.

Projects where the key creative talent are based outside Scotland:

The writer(s), director(s), producer(s), or a majority of the key creative team, must be residents of Scotland (irrespective of nationality). We will not normally fund the development of a project on which all of the key creative talent (writer, director, producer) are based outside Scotland, even if the project is set in Scotland or based on underlying material which may have originated in Scotland.

Projects whose key creative talent are based outside Scotland, but which will be shot and/or post-produced in Scotland, may qualify for support via the Production Growth Fund: see the **Production Growth Fund** guidelines for details.

How much can I apply for?

Applications may be made for individual projects or for the development of a slate of projects as part of a single application. An Eligible Production Company can submit either up to three applications per financial year for individual projects or one application per financial year to develop a slate of projects, irrespective of whether an application is successful or not.

We would normally expect Broadcast Content Development Funding awards to be in the range of £10,000-£50,000 for the development of a single project and up to £100,000 for the development of a slate of projects.

Where a development budget for an individual project requires more than the maximum award of £50,000 then production companies will be awarded funding for an initial stage of development and can then reapply for additional funding where they can demonstrate that the initial development phase has enabled them to obtain broadcaster interest and/or committed co-funding from a broadcaster or other third party.

Where the proposed development budget for a slate of projects includes a significant allocation for development staff or overheads (in excess of 50% of the total funding requested from us) then we would expect you to propose a contribution towards the overall development budget. Any contribution from you should be capped at 50% of the total development budget, however lower contributions will be considered in light of the overall development plan and budget.

Funding from a third party, such as a broadcaster or distributor, can be used as co-funding and priority will be given towards applications which have an offer of development co-funding attached to a single project or a slate of projects.

When can I apply?

Applications are accepted on a rolling basis with no specific deadlines.

We will not consider funding projects that have already commenced, therefore you should ensure that your application for development funding will not start within our timeframe for decision making, which can be up to 6 weeks from the date we receive your completed application form and all the necessary information required to make a full assessment and recommendation.

How long will it take to get a decision on my application?

Decisions will be made as quickly as possible and will take no longer than six weeks from the date we receive your completed application form and once you have supplied all the necessary information required to make a full assessment and recommendation.

FUNDING ROUTES – ROUTE 2

Broadcast Content Production Funding

The aim of this funding is to support the production of distinctive and high-quality broadcast content that promotes Scotland's culture, creativity, diversity and languages and has the potential to engage and entertain audiences both in Scotland and the UK and internationally; and supports the sustained expansion of Scottish production companies.

All the projects that we support should be relevant to Scotland and have strong audience potential for Scottish, UK and international distribution.

What can I apply for?

Projects can be a series or a single programme. We will consider all genres but would particularly encourage applications from high-end television drama, live-action and animated children's drama projects, and scripted comedy.

We will only fund a proportion of the production costs of projects, and you must have secured, or have a written indication of, third party co-funding before making an application.

In certain circumstances we will consider funding projects where the potential for international distribution is not readily demonstrable, but where it offers significant benefits to Scotland-based talent and the wider Scottish broadcast production sector.

All applicants for production funding must be able to demonstrate the need for support from public funds.

What do I need to consider before applying for Broadcast Content Production Funding?

- **Production package:**

You must have secured, or have a written indication of, a broadcast commission, and/or a source of third party co-funding (excluding the UK creative industries tax reliefs) before applying for Broadcast Content Production Funding.

- **Budget, finance plan and recoupment schedule:**

You must have a fully developed financing package in place (including a written indication of strong interest or confirmed co-funding from other private or public sources) before applying. You should include the latest version of the production budget and matching finance plan indicating which finance is confirmed and provide outline terms, sales estimates (if available), a proposed recoupment schedule and proposed production schedule.

- **Please note** – we **cannot** fully fund the production costs of any project, regardless of the budget. Applications without other market finance attached and seeking to be fully financed by Creative Scotland or financed only with support from Creative Scotland and any of the UK creative industries tax reliefs, will be automatically deemed ineligible.
- We will not consider funding projects that have already commenced funded pre-production or production, therefore you should ensure that your application for production funding is made in advance of committing to pre-production or production, and that pre-production or production will not start within our timeframe for decision making, which can be up to 12 weeks from the date we receive your completed application form and all the necessary information required to make a full assessment and recommendation.

- **Budget level:**

We do not have a minimum budget level for the projects we fund. However, we will only support projects that are produced in accordance with all applicable UK laws and statutes and all the requirements of the applicable PACT agreements with unions and guilds having jurisdiction (for example rates of pay).

- **Distributors:**

We expect you to have secured a commitment, or a written indication of interest, from a distributor for your project before making an application.

- **Talent and skills development:**

You will be expected to maximise opportunities for talent and skills development on any project that receives production funding from the fund, and you should detail your plans to create these opportunities for talent based in Scotland in your application. Your plans should address identified skills needs, and we advise you to work with established skills and talent development programmes in Scotland. More information on established skills and talent development programmes can be found on the **Screen Scotland website** or by contacting us on **screen@creativescotland.com**.

What happens if I'm offered funding?

- **Offers of funding:**

If we decide to provide production funding we will issue you with an Offer Letter in email form setting out the amount we are prepared to offer the production and any specific terms and conditions of our Offer that must be met before we can confirm the award. The Offer will be valid for 6 months from the date of the Offer Letter. If the production has not started the financial and legal closing process before the Offer has lapsed, the Offer will be reviewed. Upon review, we may decide to extend the Offer or withdraw it.

- **Letters of Interest:**

Depending on what stage you have reached in financing your project, and based on our assessment, we may issue you with a formal, but conditional, expression of interest in funding your project (a 'Letter of Interest'). This may be useful in helping you to secure other co-funding. The Letter of Interest will be for a specified period of time, after which the Letter of Interest will lapse. We will not keep the Letter of Interest 'open' beyond this time period as we want to ensure that our funds are not tied up on projects that may not be continuing to progress timeously toward financial and legal closing. However, we may consider extending the period of time for which the Letter of Interest remains valid. Unless you have received either a Letter of Interest or an Offer Letter then you should not assume that we will fund your project.

- **Creative Scotland legal costs:**

A contribution towards Creative Scotland's legal costs must be budgeted for projects with budgets over £500,000. For projects with budgets between £500,000-£1m you will be required to contribute up to £5,000 and for budgets above £1m you will be required to contribute up to £7,500 (in the event that Creative Scotland's actual legal costs are less than anticipated on any individual transaction, then the contribution required will be reduced accordingly.)

- **Terms and Conditions of the Broadcast Content Production funding:**

Because of the often complex financial structures required in production, there are additional detailed terms and conditions that you must comply with in order to receive our funding. Please see **Appendix A** for examples of further terms and conditions we may require on a case by case basis.

Who can apply?

We will accept applications for Broadcast Content Production Funding from Eligible Production Companies (see definition in 'Who is eligible to apply' section on page 4).

If you are a Scottish production company and have not worked in broadcast production previously you should seek to work with an established and experienced Eligible Production Company.

How much can I apply for?

Awards for the Broadcast Content Production Fund for production are likely to be in the range of £100,000-£500,000 per project or series.

There is no limit to the number of applications you can make for Broadcast Content production funding in any one financial year.

When can I apply?

Applications are accepted on a rolling basis with no specific funding deadlines.

We will not consider funding projects that have already commenced funded pre-production or production, therefore you should ensure that your application for production funding is made in advance of committing to pre-production or production, and that pre-production or production will not start within our timeframe for decision making, which can be up to 12 weeks from the date we receive your completed application form and all the necessary information required to make a full assessment and recommendation.

How long will it take to get a decision on my application?

We will make decisions as quickly as possible, taking into consideration the exigencies of the commissioning and production timetable of your project. In all cases we will take no longer than 12 weeks from the date we receive your completed application form and all the necessary information required to make a full assessment and recommendation.

Please note that as part of the assessment process for the Broadcast Content Production Fund, you may be asked to attend a meeting with members of the Screen Scotland Team to discuss your project in more detail.

Making an application to the Broadcast Content Fund

Applications must be made on the Broadcast Content Fund Application Form, which can be found on the **Screen Scotland website**.

Completed forms should be submitted along with all supporting materials to **screen@creativescotland.com**.

In your application, you will be asked to provide 3 written statements about your project's potential:

- 1) the 'Creative Statement' should set out the project's creative potential;
- 2) the 'Strategic Statement' should outline how you anticipate the project will be developed and managed strategically, along with its potential to engage audiences in Scotland, the UK and internationally, and
- 3) the 'Scottish Impact Statement' should outline how your project will contribute to the development of your business and the screen sector in Scotland more generally.

Your **Creative Statement** should address the following questions:

- What is the project about (synopsis, story, themes)? The clarity of your story and ideas are key.
- What stage is it at?
- What creative direction will your project take?
- What is your track record and previous work?
- Which broadcaster(s) are you intending to pitch this project to/ have commissioned this project?

Your **Strategic Statement** should address the following questions:

- What budget do you anticipate needing to develop the project and then get it made?
- At this stage can you foresee any unusual or challenging technical or budgetary requirements?
- What is the finance plan for the project and how do you envisage raising that finance?
- How will you go about managing production resources and the budget?
- Who are the potential funders of your project, in either further development or production?
- Is your project intended to be a minority co-production?

Your **Scottish impact statement** should address the following questions:

- How will your project assist Scotland's screen sector to achieve its skills and talent development priorities?
- What provision have you made for skills, talent and company development?
- What impact will the project have on your business and the Scottish screen sector in general?
- What impact will the project have on audiences in Scotland, the wider UK and beyond?
- How much of the budget of the project will be spent in Scotland and what impact will this have on the sector and wider economy?
- How will your project address equality, diversity and inclusion? This can include details on:
 - Gender balance of the personnel/crew
 - Ethnic and socio-economic background of the team
 - Disabled access on set
 - Representation on screen.

Alternative formats, languages and access support

We are committed to offering clear and accessible application processes and programmes that are open to everyone. On request this information is available in alternative formats including translations.

We offer access support to disabled applicants, tailored to individual requests. Support includes Sign Language Interpreters for meetings and scribing support for dyslexic applicants. Officers can offer advice to new applicants and support them to make an application.

The Equalities Team can offer additional one-to-one support to applicants with access requirements. Please note we will accept applications and supporting materials which are written in English, Gaelic or Scots.

If you have any general enquiries about the application process, Guidance or Application Form, please contact our Enquiries Service (details on Page 21):

OUR ASSESSMENT AND DECISION-MAKING PROCESS

What happens when we receive your application?

Once you have submitted your application we will review it for completeness and eligibility. If you have not provided all the information required, or if you do not meet the eligibility criteria for the Broadcast Content Fund, your application will not be assessed. You will be notified of this, and of the reasons why, by email.

Complete and eligible applications will be assessed by Screen Scotland Officers against the criteria and priorities set out in this guidance.

Assessments will be made on the basis of the information you provide in your application form and any supporting materials submitted. We may contact you during the assessment process to seek further information about your project or clarification on aspects of the information you provide – and, as outlined elsewhere in this guidance, you may also be asked to attend a meeting with members of the Screen Scotland Team to discuss your project in more detail.

How we will make our decisions?

Following an initial assessment and Officer recommendations, decisions on awards (up to £100,000) will be taken by the Screen Scotland Team, chaired by the Director of Screen. For applications seeking over £100,000, the Screen Scotland Team and the Director of Screen will make recommendations before decisions are then taken by the Executive Director of Screen and Creative Scotland's Senior Leadership Team.

As with most funders, we can only fund a proportion of the applications we receive. However, we will offer feedback to unsuccessful applicants to strengthen their applications if they wish to re-apply. We will only accept an application for the same project if the reasons for it having previously been unsuccessful have been addressed.

Once a decision is made:

Once we have reached a decision, we will write to you to let you know the outcome of your application. If you are successful, we will send you information that tells you if there are any specific conditions of the award that must be met before we can confirm the award. Once specific conditions, if any, have been met we will issue you with a Funding Agreement. You must note and adhere to all the terms and conditions of the Funding Agreement. At this point we will also ask you for your banking details, and agree a payment schedule and cash-flow with you, which will normally be set against agreed milestones. You will need to return a signed copy of our Funding Agreement. Once all conditions are met, we will release the first installment of your award in line with the agreed payment schedule. If your application is unsuccessful, we will write to let you know why, and advise you of your next steps.

Complaints Procedure:

If you are not happy with the way we dealt with your application, you can access a copy of our complaints procedure on the **Creative Scotland website**. Please note that you can only complain if you believe we have not followed our published process when dealing with your application. You cannot use the complaints procedure to appeal against the decision.

Data Protection Funding Privacy Statement:

Creative Scotland (CS) requires some personal information about you / your organisation to consider your application for funding. Without such CS will not be able to fund your project.

If you would like to see a breakdown of the personal information CS requires, why it is required, what CS does with that information and how long CS keeps it, please refer to CS's Funding Privacy Notice available online.

<http://www.creativescotland.com/privacy-policy/funding-privacy-notice>

CS may share your personal information with third parties to comply with the law and/or for the legitimate interests of CS and / or the third parties concerned.

Where the personal information you have provided to CS belongs to other individual(s), please refer to CS's Funding Privacy Notice. You must share this Funding Privacy Statement and CS' Funding Privacy Notice with the respective individual(s).

You have some rights in relation to the personal information that CS holds about you under the General Data Protection Regulation. Information on how to exercise these rights is contained in CS's Funding Privacy Notice or you can contact CS's Data Protection Officer.

If you have any concerns with how CS has processed your personal information, you should contact CS' Data Protection Officer in the first instance, as CS would welcome the opportunity to work with you to resolve any complaint. If you are still dissatisfied, you can submit a complaint to the Information Commissioners Office.'

Help, further advice or feedback:

If you require support, further information or have any general enquiries about the application process please contact our Enquiries Service. Our Enquiries Service will be able to advise you or will put you in contact with one of our officers.

Email: enquiries@creativescotland.com

Telephone: **0345 603 6000***

Lines are open 10am-12pm and 2-4pm, Monday–Friday. Voicemail is available outwith these hours. If you want us to call you back, then leave a message with your number and we'll arrange a time to call you.

Web: You can send us a message via the Creative Scotland **website**

Twitter: Get in touch **@screenscots**

If you are a D/deaf BSL user, you can access our services with the Contact Scotland-BSL programme. Go to:

www.contactscotland-bsl.org/public for more information.

* Please note: Calls to our 0345 number are charged at the same rate as calling national 01 or 02 numbers. Approximate charges are up to 9p per minute from landlines and between 3p – 55p per minute from mobiles. However, calls to this number are also part of inclusive allowances. Please check with your phone line provider for exact charges.

APPENDIX A

Broadcast Content Production Funding: Additional Terms and Conditions of Funding

Creative Scotland Broadcast Production Funding is an equity investment in the project and is recoupable and would be recouped alongside other equity funding prior to the project getting into net profits. The fund would also be entitled to a net profit share once each project gets into net profit, with the amount of such net profit share to be agreed on a case by case basis.

You will be required to use best endeavours to provide Creative Scotland with an end credit in a form to be advised in your Funding Agreement. Where possible we intend to pre-agree the format of credits with the applicable UK broadcasters e.g. BBC, however all credits will be subject to applicable broadcaster credit guidelines.

You will need to establish a clear chain of title to your project, i.e. demonstrate you have acquired or can acquire all the rights necessary to produce and exploit the project throughout the world by any means and in all media.

If other production finance in your project is being advanced by a party who anticipates some form of UK tax benefit from their involvement in the production through any tax structure(s) or scheme(s), that party will be required to provide industry standard undertakings and warranties directly in favour of Creative Scotland and Creative Scotland may disclose to Her Majesty's Revenue and Customs any information which it receives in relation to any tax structure(s) or scheme(s) which are utilised in connection with your project.

Creative Scotland may withdraw any offer of funding if it has reasonable concerns relating to the terms of any third-party finance.

If you are awarded funding towards the production of a live-action children's television project or a high-end television drama project you will be required to provide a contribution to the appropriate Creative Skillset TV Skills Fund levy of 0.5% of the project's production budget (subject to a cap of £40,860).

You will be expected to put in place all customary production insurances (including errors and omissions insurance) on which Creative Scotland must be named as an additional insured.

Creative Scotland reserves the right to require additional contractual and legal protections for specific projects on a case by case basis proportionate to the level of funding being offered by Creative Scotland and the level of risk that the production will not be successfully completed. This may include, without limitation, a security interest over the company producing the project and a security interest over any co-producer, and/or requiring that Creative Scotland's funding must be paid into a separate dedicated trust account. In each case we will take into account the specific circumstances of the project including the funding structure for the project, the requirements of the other funding parties and the level of risk for Creative Scotland. We may also require customary security and/or takeover arrangements to be put in place to ensure completion and delivery of the project in accordance with the script, budget and schedule.

We will require certain approvals over your project including the terms of other finance and all contractual documentation prepared in relation to the project. We will require meaningful consultation on the choice of distributor and approval over the terms of appointment.

Your project's budget should include sufficient funds to clear appropriate rights from all individuals or organisations who are contributing to, or whose material is to be featured in, the project.

We will not commence funding until we are satisfied that you have complied with certain conditions as set out in the Funding Agreement.

You will be required to provide specified delivery materials to Creative Scotland, the costs of which must be included in the budget of the project. This will include Disability Access Materials.

Creative Scotland will hold back 10% of its funding until delivery of specified delivery materials and a final audited cost report certified by an independent auditor.

During production of your project, Creative Scotland will require access to information about the project and, at its own cost and on reasonable notice, to be able to attend all stages of production.

As a Public Funder, Creative Scotland will require the right to meaningful consultation over the final cut of the project.

In line with our Environment Policy and Environment Connecting Theme, Creative Scotland supports organisations and projects to reduce their environmental impacts, especially carbon emissions. Carbon measurement and reporting is an established first step to carbon reduction and is becoming standard practice in screen production. Increased environmental awareness can result in lower costs, better planning, reduced energy use and waste. Environmental sustainability also has brand and market benefits with audiences.

Applicants should minimise environmental impacts in their production, and account for this in the budget. Guidance on this can be found in the BBC-developed Albert carbon calculator (now promoted by BAFTA), in BS 8909, (the sustainability management system for film promoted by BFI) and the Green Production Guide of some US studios.

Applicants should be able to demonstrate how they will contribute to the Environment Connecting Theme, how they will measure and report carbon emissions, and, where appropriate, how they will spread good practice and influence the wider public.

APPENDIX B

Creative Scotland Locked-Box Scheme in relation to the Broadcast Content Fund

Screen Scotland/Creative Scotland operates a locked-box scheme (the CS Locked-Box), whereby Eligible Scotland-based Production Company benefit from their project's success.

Eligible Scotland-based production companies will receive a share of revenues generated from the projects that they are involved with that Creative Scotland funds through the Broadcast Content Fund production funding route ring-fenced for them in a CS Locked-Box, which can be used for the development and/or production of their future projects or towards staff training. This ensures that revenue from successful Creative Scotland backed projects is invested directly back into Scotland's screen sector.

This Appendix sets out how the CS Locked-Box scheme operates.

There are three revenues streams which are paid into a CS Locked-Box in respect of any project that receives production funding from the CS Broadcast Content Fund:

1. CS Supplemental Corridor: when Creative Scotland makes a Production Funding award in respect of a project, a corridor from Creative Scotland's recouped revenues in respect of that award is allocated to a CS Locked-Box for the project. The CS Supplemental Corridor is calculated as follows:
 - a) 25% of Creative Scotland's recouped revenues until an amount equal to 50% of Creative Scotland's Production Funding award is recouped (including amounts paid into the CS Locked-Box); and thereafter
 - b) 50% of Creative Scotland's recouped revenues until Creative Scotland's Production Funding award is recouped in full (including the amounts paid into the CS Locked Box).

If Creative Scotland has recouped 100% of its Production Funding award and the project subsequently reaches net profits, then any sums due to the Eligible Scottish Production Company, from such net profits will be paid directly to CS until CS has recouped an amount equal to the CS Supplemental Corridor held in the CS Locked-Box and allocated to the qualifying Eligible Scotland-based Production Company.

In the event that the aggregate sum of the CS Supplemental Corridor and the UK Tax Credit Entitlement (if applicable) and any Recycled Development Funding (if applicable) held on the CS Locked-Box for a project reaches £1,000,000 the producer will no longer be entitled to any part of the CS Supplemental Corridor.

2. UK Tax Credit Entitlement: subject to agreement of the other financiers of a project, the Eligible Scotland-based Production Company in receipt of a Production Funding award may be allocated an equity entitlement position in the project's recoupment schedule in an amount equal to the lower of:
 - (a) the UK Tax Credit Advance included in the project's finance plan: and
 - (b) the actual UK Tax Credit proceeds, once received from HMRC.

Where applicable the producer's UK Tax Credit Entitlement will be paid directly to CS into the CS Locked-Box for the project.

3. Recycled Development Funding: when Creative Scotland makes an award of development funding to an Eligible Scotland-based Production Company in respect of a project, all sums which are repaid to CS in respect of such award in accordance with the development funding agreement will be paid into the CS Locked-Box for use by the qualifying Eligible Scotland-based Production Company, subject to a maximum allocation per project of £50,000. This recycled Development Funding scheme does not include sums repaid to CS in respect of late stage development funding or pre-production funding.

For the avoidance of doubt, the CS Locked-Box only relates to monies repaid to Creative Scotland against Creative Scotland's original development or production funding awards, and not to any net profits payable to Creative Scotland in respect of any project.

The purpose of the CS Locked Box initiative is to ensure that revenue from Creative Scotland backed projects is invested directly back into Scotland's [screen/production] sector, and to enable those responsible for the project's success to become more self-sustaining and to develop as much creative and financial independence as possible when developing and producing projects. As such the CS Locked Box can only be accessed by someone who continues to be active in Scotland's [screen/production] sector.

The CS Locked-Box can only be accessed by Eligible Scotland-based Production Companies, as specified above. If the project is a co-production, any sums in the CS Locked-Box are available to the Eligible Scotland-based Production Company.

If two Eligible Scotland-based Production Companies are joint recipients of the original Creative Scotland development or production award then the entitlement(s) may be split between them (in proportions that may be agreed between the producers and notified to Creative Scotland in writing) and provided that both are actively involved in the development and production of the projects rather than acting only as a financing partner. The CS Locked-Box is not available to producers that are not based in Scotland at the time of draw-down of CS Locked-Box funds.

CS Locked-Box Specified Uses

The CS Locked-Box funds can only be used for one of more of the following specified uses:

- (i) broadcast content development costs
- (ii) broadcast content production costs; and
- (iii) staff training costs and expenses

Any broadcast content project that you propose to be funded by your CS Locked-Box monies must be eligible for, and fulfil the criteria of projects supported through the Broadcast Content Fund.

Project development costs that CS Locked-Box monies can include (Specified Uses):

- Payment to option the rights to formats or adaptation of pre-existing works or rights to secure access.
- Development of the treatment, outline and/or screenplay.
- Script editing and story development.
- Research.
- Mood boards, concept art work and/or storyboards.
- Taster/sizzle reels.
- Costs relating to travel, accommodation and subsistence of key personnel involved in the project.
- Budgeting and scheduling.
- Casting.
- External legal costs associated with obtaining with rights' options and clearance (e.g. writers' agreements/option agreements).
- Producers' fees and overheads (please note this cannot be the sole use of the CS Locked Box funding).

Production costs will mean the direct investment into the project as demonstrated by the finance plan of the project. Please note that if you use CS Locked-Box monies for project production costs it will count as 'state aid' investment in the project – this is permitted but we will first need to verify the total amount of state aid in the project in question in order to comply with European Commission requirements. To do this we will need to see a budget and finance plan for the project.

Staff training costs and expenses should be associated with skills development particularly in relation to screen content production related activity.

Accessing funds in your CS Locked-Box

If monies have accrued to an Eligible Scotland-based Production Company in a CS Locked-Box an application to draw down funds must be made to Creative Scotland. The application form is available upon request to Creative Scotland and a copy will be attached to the CS Locked-Box Agreement. Please email screen@creativescotland.com for a copy of the application form, remembering to state that it is to access funds in a CS Locked-Box.

The application form asks for details about how the CS Locked-Box monies will be spent together with sufficient information to enable CS to determine that it is an allowable CS Locked-Box Specified Use. Creative Scotland will not take a view on the creative aspects of a project that receives funds from a CS Locked-Box (unless Creative Scotland is also funding the same project in development and production through a separate award) but CS will require sufficient information to be able to determine if the project meets the qualifying criteria and that the proposed spend is legitimate.

As a minimum we will ask for the following:

- Project Development – title of the project, details of the writer, underlying work (if any), synopsis, information on any other attached elements.
- Production – title, details of writer and director, budget, finance plan, synopsis, information on any other attached elements.
- Staff skills training – details of the trainees, trainers (including a brief outline of the course details) and evidence of the cost of the course.

Monitoring

Depending on the Specified Use we will advance the CS Locked-Box funding in instalments with payment being made upon receipt by Creative Scotland of certain deliverables. These might include copies of invoices relating to budgeted expenditure, a draft of the treatment/script/proposal to verify that work had been done, a copy of underlying rights agreement.

This is to allow us to properly audit and monitor spend (rather than to comment creatively on the project) and also to ensure compliance with State Aid intensity limits set by the European Commission.

Repayment

If the entitlement is from the CS Supplemental Corridor then the funds are repayable from the net profits of the original project as set out above if the project goes into profit.

If the CS Locked-Box monies are used on project development or production then they do not have to be repaid.

For further information about the CS Locked-Box scheme please send an email with questions to screen@creativescotland.com.



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