



Liverpool  
City Council

# LIVERPOOL CITY REGION PRODUCTION FUND GUIDELINES



**LIVERPOOL  
CITY REGION**  
COMBINED AUTHORITY

**METRO MAYOR**  
LIVERPOOL CITY REGION

Issued: 29<sup>th</sup> March 2019

Liverpool City Council, acting through its department the Liverpool Film Office, reserves the right to change these guidelines from time to time. Please ensure that you have downloaded the latest version from our website.

Please also ensure that you have downloaded and read the latest version of our Fund FAQs.

## **OVERVIEW**

Liverpool and its city region<sup>1</sup> has been home to hundreds of film and television productions over the years: from studio blockbusters such as *Fantastic Beasts and Where to Find Them* and *Creed* to acclaimed indie films such as *Film Stars Don't Die in Liverpool*, *Florence Foster Jenkins* and *Yesterday*; from award-winning TV drama series *Peaky Blinders* and *Broken* to the upcoming *War of the Worlds* and comedy breakout *Timewasters*.

Producers and directors are repeatedly drawn to the region's world-class locations, its accessibility, and the expertise and can-do attitude of its crews and service companies.

Liverpool Film Office, founded in 1989 by Liverpool City Council, was the UK's first dedicated film office. Its team of experienced film professionals provides a free service including location finding, permissions, liaison, traffic control, parking, and sourcing local labour and suppliers.

More information is available at [www.liverpoolfilmoffice.tv](http://www.liverpoolfilmoffice.tv)

## **WHAT IS THE LIVERPOOL CITY REGION PRODUCTION FUND?**

The Fund has been established by the Liverpool Film Office to help drive further growth of the region's production sector. Supported by Liverpool City Region Combined Authority, the Fund is discretionary and has an initial allocation of £2,000,000.

Open to local, national and international production companies<sup>2</sup>, the Fund aims to increase the number, scale and range of feature films and scripted TV being made in Liverpool by investing in a diverse portfolio of high-quality productions.

It is expected that these productions will create significant opportunities for locally based above and below-the-line talent, encourage the use of local production facilities, studios, locations, and other services, and increase co-production opportunities or access to markets for regionally based producers.

We will prioritise projects that have some or all of the following characteristics:

- Deliver high multiples of local economic benefit relative to our investment;
- Demonstrate strong creative and commercial elements;
- Have a realistic prospect of generating a financial return on our investment;

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<sup>1</sup> Liverpool City Region covers the local authority areas of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral. <https://www.ordnancesurvey.co.uk/business-and-government/products/boundaryline.html>

<sup>2</sup> See 'Who can apply' section of these guidelines.

- Increase the cultural visibility of the Liverpool City Region to audiences in the UK and internationally.

As a public funder, we are committed to increasing on-and off-screen diversity in film and television. As well as broadening opportunity and representation, we believe that it can bring significant commercial benefits in terms of attracting wider audiences and higher revenues.

Whilst we do not require applicants to meet any particular diversity criteria in order to qualify for our funding, your application will be strengthened by a demonstrable commitment to improving diversity. We would therefore encourage potential applicants to consider resources such as [BFI Diversity Standards](#) and [Creative Diversity Network guidance](#).

### **WHAT CAN I APPLY FOR?**

We can support the production of:

- live action, animated and documentary feature films with an intended running time of no less than 69 minutes;
- scripted television drama with an intended slot length<sup>3</sup> of greater than 30 minutes;
- scripted animated series intended for broadcast<sup>4</sup> with a slot length of between 5 and 30 minutes;
- scripted comedy series intended for broadcast with a slot length of between 15 and 30 mins.

We are currently unable to support standalone development, distribution or promotional activity, the production of short films and other forms of TV or audio-visual production including factual or entertainment programmes, short-form web series predominately intended for self-distribution, or games.

To be eligible, your project must:

- be capable of fulfilling the relevant British Cultural Test or qualify via one of the UK's official bilateral co-production agreements<sup>5</sup>. In respect of other scripted television drama or comedy series, we will apply a similar set of cultural criteria to those used for British certification in order to access eligibility;
- have at least 50% of its total funding already in place at the point of application (as evidenced by appropriate Letters of Intent/Heads of Terms); and
- be able to demonstrate a credible route to market, most typically through the formal attachment or clear written interest of an experienced international sales agent and/or UK distributor in respect of a feature film project; or a UK broadcaster and/or international streaming platform and/or international distributor in respect of a TV project.

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<sup>3</sup> 'Slot length' means the period of time that the programme is commissioned to fit.

<sup>4</sup> 'Broadcast' means works intended for transmission to a dispersed general audience via any electronic mass communications medium.

<sup>5</sup> A summary of how points for the Cultural Test are allocated and full guidance on British certification and tax relief can be found on the BFI website at: <https://www.bfi.org.uk/supporting-uk-film/british-certification-tax-relief>.

## **HOW MUCH CAN I APPLY FOR?**

We can invest up to £500,000 per project, with the minimum investment being £100,000.

In exceptional circumstances, such as a project offering outstanding economic and cultural benefits, we may vary this maximum following discussion with our funding partners.

We will not normally invest more than 20% of the total production budget.

Our investment in your project will typically be in the form of a recoupable equity advance, although we reserve the right to offer other forms of finance depending on the risk profile and particular circumstances of your project.

## **WHO CAN APPLY?**

We can only accept applications made through a corporate undertaking such as a limited company or limited liability partnership<sup>6</sup>, registered in the UK or another state of the European Union or European Economic Area, and/or registered as a subsidiary in the UK.

Your company (and its principals) will be expected to demonstrate a strong track record of success in film and/or TV production and have no recent connection with company or personal insolvency or business failure.

Your company (and any intended special purpose vehicle set up to produce the film or television programme) does not need to be registered in or to relocate to the Liverpool City Region but it will be a contractual requirement of our investment that you maintain a substantive production base in Liverpool City Region for at least the duration of pre-production and principal photography.

Although it is not an eligibility requirement, we would encourage companies who are headquartered and/or registered outside of the Liverpool City Region to enter into a meaningful co-production arrangement with a suitable Liverpool City Region-based producer in order to strengthen their application.

## **WHEN CAN I APPLY?**

This is a rolling fund so there are no deadlines for applications.

We are unable to support projects that have already commenced funded pre-production or production prior to our investment decision.

As it may take up to 8 weeks to process your application and to reach an investment decision, you should ensure that the start dates of your project reflect this.

## **HOW DO I APPLY?**

We recognise that both preparing and assessing funding applications takes up a lot of time and resource. In order to help mitigate this and facilitate faster decision-making, we have decided

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<sup>6</sup> The [Companies House](#) website provides guidance on setting up various types of corporate undertakings.

to operate a two-stage application process for this Fund.

### Stage 1. EOI

You will need to complete and submit a short Expression of Interest (EOI) form online. This captures the essential information about your project, allowing us to consider its eligibility and whether it is likely to deliver against the aims and objectives of the Fund.

The EOI form can be accessed via the 'Production Funding' tab at <https://www.liverpoolfilmoffice.tv/expression-of-interest/>

Following our receipt of your EOI, our Fund Advisor will contact you to discuss your project in more detail. S/he may also ask for further supporting information in order to help our review. Any feedback or advice given during this stage should not be considered an endorsement of your project nor a guarantee of funding.

Once the review is completed, the Fund Advisor will make a recommendation to the Head of Liverpool Film Office on whether to progress your project to a full application. Following further consultation with the Fund Advisor and other members of the Film Office team, her decision on such matters will be final.

The indicative timeline for this decision is within 10 business days of submitting your EOI.

Projects not progressing to Stage 2 will be declined by email stating that we have reviewed your EOI and are unable to consider it further.

### Stage 2. Full Application

If your project progresses to Stage 2, we will email you a link to the online application form for you to complete and submit. We regret that we cannot accept applications by email, disc, fax or post, except by prior arrangement.

In addition to your completed application form, you will need to upload various supporting information. A submission checklist is included in Appendix 2 of these guidelines.

Following submission, you will receive an email confirming that we have received your application, together with a tracking number to be used in all correspondence.

All applications are checked for eligibility against the guidelines. If your application is incomplete or ineligible, we will send you an email informing you why. We are unable to progress incomplete or ineligible applications.

### ASSESSMENT PROCESS

Complete and eligible applications will be assessed by our Fund Advisor and other members of the Liverpool Film Office team, as appropriate.

We may also use external industry assessors and/or consultants from time to time. Such assessors will be required to sign a Non-Disclosure Agreement and to confirm that they have no actual or perceived conflict of interest with either you or your project.

Our assessment will consider *inter alia*:

- The extent to which the project responds to the priorities of the Fund as set out in these guidelines, including the likely economic and cultural benefits of the project to the Liverpool City Region.
- The creative merits/strengths of the project.
- The abilities and track records of the core team (director, producer and writer) and any identified partners, and their creative, technical and managerial capacity to deliver the project.
- The viability of the proposed budget, schedule and finance plan.
- The market potential of the project, and the likelihood of recouping the Fund's investment and generating a financial return.
- The availability and levels of private sector/other public sector investment leveraged by the Fund's proposed investment, together with the terms and conditions of such.
- The extent to which the project makes a demonstrable contribution to greater diversity.
- The degree to which the project would be a distinctive addition to the Fund's balanced investment portfolio.

We may request a meeting with you or seek additional information in order to complete our assessment and to carry out the necessary corporate, financial and State aid due diligence. We will inform you if these steps have a material impact on our decision-making timescales.

### **DECISION MAKING PROCESS**

Once we have completed our assessments and due diligence, we will either decline your application or make a recommendation for support to the Investment Advisory Panel<sup>7</sup>.

The Investment Advisory Panel will meet to consider the recommendation before a final investment decision is taken by Liverpool City Council's delegated authority for the Fund.

You will be advised of the outcome as soon as possible after the relevant decision is made, generally within 6 weeks of submitting your full application. We will always offer feedback to unsuccessful applicants if requested.

We expect a high demand for this Fund and we have a finite amount of money to invest. Even if your application meets all of our assessment criteria, we may not necessarily be able to invest in your project.

### **SUCCESSFUL APPLICATIONS**

If your application is successful, we will send you a formal Offer Letter which sets out the level of our investment as well as any specific terms and conditions that you will need to meet before we

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<sup>7</sup> The Investment Advisory Panel will consist of representatives from Liverpool City Council, Liverpool City Region Combined Authority and the Local Enterprise Partnership as well as a number of suitably experienced independent film/TV professionals with relevant backgrounds in production, sales, distribution, finance and legal. All members of the Panel will be required to sign a Non-Disclosure Agreement and to confirm that they have no actual or perceived conflict of interest with either you or your project.

can confirm our award. Appendix 1 of these guidelines gives details of the standard terms and conditions for the Fund.

The Offer Letter will remain valid for a specified time – typically 3 months - in order to allow you time to secure any outstanding funding or attachments for your project. If legal and financial closing has not commenced prior to the expiry of the Offer Letter, we may decide at our sole discretion to extend the Offer or to let it lapse. This is to ensure that our funds are not tied up on projects that are not proceeding expeditiously to production.

Once legal and financial closing is formally underway, we will instruct our lawyers to issue a full production funding agreement.

### **FEEDBACK**

We endeavour to make the application, assessment and decision-making processes as fair and transparent as possible. We welcome constructive feedback on any of our processes and procedures.

### **RETENTION OF APPLICATION MATERIALS**

In order to comply with our audit processes, we will retain copies of the application form and supporting materials for declined applications up until 31<sup>st</sup> March 2021 and for successful applications for a further 10 years after which time they will be destroyed. Original materials will only be returned to you if a stamped self-addressed envelope is enclosed with them.

### **RESUBMISSION**

We can only accept re-submissions for projects that have previously been declined if there have been significant and substantial changes or major new elements have been secured since the last application. All re-submissions must be discussed and agreed with us in advance.

We will accept re-submissions for projects where a previous Offer Letter has lapsed, and we have confirmed in advance that we remain interested in the project.

### **SPECULATIVE SUBMISSIONS**

We regret that we are unable to read scripts or consider projects that have not been formally submitted through our application process.

### **COMPLAINTS**

Our funding is discretionary and our decision in all matters concerning the assessment and selection of projects for investment is final.

You can make a complaint if you have good cause to believe that the correct procedures, as published in these guidelines, have not been followed or have been applied in such a way as to prejudice the outcome of your application.

A copy of our complaints procedure is available on request from the Head of the Liverpool Film Office.

## FREEDOM OF INFORMATION

As a public body, we may be required to publicly disclose certain information concerning your application in accordance with the Freedom of Information Act 2000. During the process of deciding whether or not to publicly release some or all information requested by a third party, we may contact you and ask you to comment on the proposed release. Your comments will be taken into account in the decision on whether to publicly release, or withhold information, but the decision on whether to release the information ultimately rests with Liverpool City Council.

## DATA PROTECTION AND PRIVACY STATEMENT

We require some personal information about you/your company in order to consider your application for investment. If you would like to see a breakdown of the personal information we require, why it is required, what we do with that information and how long we keep it, please refer to the Liverpool City Region Production Fund Privacy Notice available online [here](#).

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

Where the personal information you have provided to us belongs to other individuals, please refer to the above Privacy Notice. You must share this Privacy Statement and Privacy Notice with the respective individuals.

You have some rights in relation to the personal information that we hold about you under the General Data Protection Regulation. Information on how to exercise these rights is contained in the Privacy Notice.

If you have any concerns about how we process your personal information, you should contact the Head of the Liverpool Film Office in the first instance. If you are still dissatisfied, you can submit a complaint to the Information Commissioner's Office.

*Whilst the information and advice in these guidelines is at the time of going to press believed to be accurate, Liverpool City Council reserves the right to make changes at any time at its discretion. Neither Liverpool City Council nor any of its partners shall be responsible for any loss attributable to errors, omissions or other inaccuracies in the information contained in these guidelines.*

## APPENDIX 1

### LIVERPOOL CITY REGION PRODUCTION FUND

#### STANDARD TERMS AND CONDITIONS

If you are successful in securing an investment from the Liverpool City Region Production Fund, you will be required to enter into a production funding agreement with Liverpool City Council (“LCC”) that sets out the Terms and Conditions of its investment. These will include amongst others:

1. You will need to establish a clear chain of title to your project and demonstrate that you have or can acquire the rights necessary to produce and fully exploit your project.
2. LCC will pay its investment to a limited company (or other body corporate) registered in UK or incorporated in the European Union or European Economic Area and registered as a branch in the UK. It will be a requirement of LCC’s investment that the investee company maintains a substantive base in the Liverpool City Region for at least the duration of pre-production and principal photography.
3. LCC will exercise certain rights of approval over your project, including (but not limited to): the key elements (writer, director, individual producer, principal cast and key crew); the script(s); the production budget; cash flow schedule; production schedule; insurance policies; the identity and terms of all other finance; the identity and terms of appointment of the sales agent and all distributors; and all other production and financial documentation prepared in relation to the project.
4. LCC’s investment is recoupable. LCC will also be entitled to a proportionate share of net profits from the project.
5. You will be required to include in your production budget a Fund Management Fee of 8% of LCC’s investment, together with LCC’s reasonable external legal costs. These will be treated as first day payments on financial close. The Fund Management Fee is a contribution towards LCC’s reasonable management costs and overheads in relation to the Fund (as it receives no other public funding for these).
6. LCC’s investment will be remitted to a separate dedicated production account. LCC will not commence the cash flowing of its investment until all necessary legal agreements relating to the financing, sales and distribution of the project have been executed and all commitments and conditions precedent required for financial and legal closing have been satisfied.
7. LCC will hold back up to 10% of its investment until formal delivery and completion of the project, to include a final audit statement certified by an independent auditor.
8. You may be required to assign a share of copyright in the project to LCC as security for its investment.
9. LCC will usually expect there to be a bond or other takeover arrangements in place for your project in order to ensure its completion and delivery in accordance with the approved screenplay, budget and schedule. Depending upon the level of investment being offered by LCC and the risk profile of the production, LCC reserves the right to take additional contractual and legal protections,

which may include a security interest over the company receiving its investment and/or over any co-producer.

10. Your production budget should allow for the clearance of appropriate rights from all individuals and organisations who are contributing to or whose material is featured in the project.

11. You will be required to ensure that your project is produced in accordance with the requirements of all unions and guilds having appropriate jurisdiction and all legislative requirements, both UK and EU, including those concerning National Minimum Wage.

12. You will be required to warrant your and your project's compliance with EU State aid rules including but not limited to Article 54 of the European Commission's General Block Exemption Regulation (No 651/2014) of 17 June 2014.

13. You will be required to comply with LCC's reasonable requirements as regards procurement, equalities, diversity, environmental impacts (including carbon measurement) and document retention.

14. You will be required to put in place all customary production insurances (including Errors and Omissions) with LCC named as an additional insured.

15. You will be required to provide certain delivery materials to LCC. The cost of these must be included in your budget.

16. All revenues from the project must be collected by an independent collection agent or equivalent, with LCC having right of approval over their identity and terms of engagement. In certain circumstances, LCC will consider alternative collection arrangements for TV productions.

17. During production, LCC will require access to all relevant information about your project including production reports, cost reports and dailies, and the right to attend, at its cost, all stages of production. As a public funder, LCC will require consultation rights over the assembly and all cuts of the project together with a shared right of approval over the final cut alongside other financiers, if appropriate.

18. You will be required to meet any commitments made in your investment application with regard to the Liverpool City Region. This may include a specified number of filming days, proposed expenditure on locally based goods and services and the number of jobs to be created during the project for people permanently resident or with a meaningful base in the Liverpool City Region. You will be required to comply with LCC's monitoring and reporting requirements in order to evidence and certify these outputs. You will also be required to provide on-going monitoring information as may be reasonably required by LCC and its relevant funding partners in order to measure the impact and outcomes of LCC's investment.

19. You will be required to comply with LCC's branding guidelines. These include providing LCC and the Liverpool City Region Combined Authority with appropriate onscreen credits on your project as well as a credit in all related materials. LCC may have up to two Executive Producer credits. You will also be expected to co-operate with LCC and its relevant funding partners in any PR and press activity relating to your project and LCC's investment in it, as reasonably required.

20. You will be required to demonstrate a commitment to training and skills development through the engagement of suitable local interns and/or trainees, and to participate, where reasonable and

feasible, in any accredited apprenticeship schemes. In addition, the producer, writer and director may be required to make themselves available, subject to professional commitments, to provide mentoring and/or industry training as LCC may reasonably request.

21. You will be expected to fully cooperate with the Liverpool Film Office and to abide by its Code of Practice in relation to filming in the region. You may be asked to participate in the marketing of the Liverpool Film Office and the Liverpool City Region's production services and locations offer, and to provide access to the production, or the final film/programme by way of screenings or clips, in order to help us promote Liverpool and the city region, as reasonably required.

## APPENDIX 2

### LIVERPOOL CITY REGION PRODUCTION FUND

#### CHECKLIST OF SUPPORTING DOCUMENTS TO BE PROVIDED WITH FULL APPLICATION

(\* indicates a required document)

- One page synopsis.\*
- Latest (dated) screenplay, or first episode script and series bible for a TV series, or extended treatment for a documentary feature.\*
- Director's Statement (no more than 500 words), detailing their creative vision for the project and how they plan to realise it. (For TV series, we would expect this statement to be from the relevant creative lead) \*
- Producer's Statement (no more than 750 words), detailing their production methodology and commercial vision for project including financing, intended audience and sales/distribution/festival strategy.( For feature films', the latter should be prepared with input from the UK distributor and sales agent. For TV series, with input from the broadcaster/streaming platform and international distributor)\*
- Diversity, Training and Sustainability Statement (no more than 500 words), outlining how your proposed production will engage positively with both on- and off screen underrepresentation, skills/training and environmental sustainability.\*
- Mood boards and any other visual or presentation materials (if applicable).
- Latest (dated) production budget.\*
- Latest (dated) production schedule/timeline.\*
- Latest (dated) finance plan and draft recoupment schedule.\*
- Latest (dated) sales estimates from the sales agent or international distributor.\*
- Latest (dated) revenue projections from UK distributor (if applicable).
- Completed Estimate of Liverpool City Region Production Expenditure spreadsheet.\*
- CV's of producer(s), director(s), writer(s) and any other key creative personnel.\*
- Relevant deal memos/agreements/letters of intent from other financiers, sales agent, distributors, broadcasters and any other market attachments (if applicable)
- Cast deal memos/agreements (if applicable).
- Summary list of Chain of Title documents.\*
- Copy of letter of comfort or interim certificate from BFI Certification Unit in respect of relevant Cultural Test (if applicable).
- Completion Guarantor letter of intent (if applicable).
- Co-production heads of terms/agreements (if applicable).
- Copy of Applicant company's registration certificate, memorandum and articles of association or other governing instrument. \*

Copy of Applicant company's latest annual accounts (if available).

**APPENDIX 3**

**LIVERPOOL CITY REGION PRODUCTION FUND**

**ESTIMATE OF LCR PRODUCTION EXPENDITURE TEMPLATE**

Liverpool City Region Production Fund					
Estimate of LCR Production Expenditure					
  Liverpool City Council					
NB: In completing this form, please feel free to amend and align the Acct No/Descriptions below with those of your respective production budget.					
FILM/TV TITLE:					
ACCT NO.	DESCRIPTION	TOTAL BUDGET	TOTAL LCR EXPENDITURE (LABOUR)	TOTAL LCR EXPENDITURE (NON-LABOUR)	TOTAL WEEKS OF PAID WORK FOR LCR RESIDENTS
<b>ABOVE THE LINE</b>					
01	DEVELOPMENT/SCRIPT/RIGHTS				
02	PRODUCER				
03	DIRECTOR				
04	CAST/STUNTS/CASTING				
<b>TOTAL ABOVE THE LINE</b>		£0	£0	£0	0.00
<b>PRODUCTION</b>					
05	PRODUCTION				
06	ART DEPARTMENT				
07	CONSTRUCTION				
08	SET DRESSING/PROPS				
09	SET OPS & RIGGING				
10	MAKE UP/ HAIR				
11	COSTUME				
12	CAMERA				
13	GRIP				
14	ELECTRICAL				
15	SOUND				
16	SPECIAL EFFECTS				
17	2ND UNIT				
18	TRANSPORT, FACILITIES				
19	LOCATIONS, STUDIO, OFFICES				
20	ACCOMMODATION, TRAVEL & LIVING				
21	PRODUCTION COSTS				
22	CREW - O/T, OTHER COSTS				
<b>TOTAL PRODUCTION</b>		£0	£0	£0	0.00
<b>POST PRODUCTION</b>					
23	EDITORIAL				
24	PICTURE POST-PRODUCTION				
25	SOUND POST-PRODUCTION				
26	MISC POST				
27	MUSIC				
28	VFX				
29	TITLES/OPTICAL/STOCK FOOTAGE				
<b>TOTAL POST PRODUCTION</b>		£0	£0	£0	0.00
<b>OTHER</b>					
30	MARKETING & PUBLICITY				
31	FINANCE & LEGALS				
32	INSURANCE				
33	GENERAL EXPENSE				
34	COMPANY OVERHEAD				
<b>TOTAL OTHER</b>		£0	£0	£0	0.00
<b>CONTINGENCY &amp; BOND</b>					
36	CONTINGENCY				
37	COMPLETION BOND				
<b>TOTAL CONTINGENCY &amp; BOND</b>		£0	£0	£0	
<b>GRAND TOTAL</b>		£0	£0	£0	0.00

Please note that the numbers you provide in this table should be an accurate estimate as they will be used for assessment and may form part of the production funding agreement, should LCC approve your application.

Signed by:	
Name/Position:	
Date:	