

Question	Your response
<p>1) Do you agree with our proposed change to articulate the intention of the regional production obligations at the start of the Guidance? (See wording at Annex 7).</p>	<p>Confidential? – N</p> <p>We broadly agree with the proposed change</p>
<p>2) Do you agree with our proposed changes to the substantive base criterion (see wording at Annex 7)? If not, please explain why, providing appropriate supporting evidence where possible.</p>	<p>Confidential? – N</p> <p>No, we feel that the proposed change is not strong enough to prevent abuse of the Substantive Base criterion.</p> <p>It is shameful that 75% of “Scottish output” is made by non-indigenous companies and we feel that this reform does not go far enough in any way to redress this.</p> <p>In particular, we think a definition of an “operationally independent base” is a criterion which will more adequately safeguard and promote production businesses which are indigenous or genuinely based in the Nations/Regions.</p> <p>In calculating which individuals can count towards demonstrating an operationally independent base in a particular location, we have made reference to where they pay taxes if there is a differential tax regime - which is clearly the case in Scotland at the moment – and where their usual residence is where that would not apply.</p> <p>We have supplied a proposed definition of an “operationally independent base” in the attached paper apart, with an explanatory note. We would suggest that this replaces the proposed definition of “substantive base”.</p>
<p>3) Do you agree with the suggested explanatory notes for the substantive base criterion (see wording at Annex 7)? If not, please explain why, providing appropriate supporting evidence where possible.</p>	<p>Confidential? – N</p> <p>No. In line with answer (2) above, we feel that the definitions are too loose or vague and open to abuse by large production companies taking</p>

	<p>advantage of National/Regional status without contributing to the development of the independent production scene in the Nation/Region concerned.</p> <p>In particular, we feel that the executive in charge of the “base” should have independent decision-making authority and that the executive pitching for commissions in the base should be senior creative staff. Additionally, an SPV for a particular production (or productions) should not constitute a substantive base. While the base in the Nations/Regions may be incorporated as a group company of a larger production group, this base would need to be able to demonstrate the general activity of a genuine production company – that is the development and production of range of programmes, rather than existing purely to service a particular programme (or programmes).</p>
<p>4) Do you agree with our proposed changes to the production budget criterion (see wording at Annex 7)? If not, please explain why, providing appropriate supporting evidence where possible.</p>	<p>Confidential? – N</p>
<p>5) Do you agree with the suggested explanatory notes for the production budget criterion (see wording at Annex 7)? If not, please explain why, providing appropriate supporting evidence where possible.</p>	<p>Confidential? – N</p>
<p>6) Do you agree that the off-screen talent criterion should remain the same? If not, please explain why, providing appropriate supporting evidence where possible.</p>	<p>Confidential? – N</p>
<p>7) Do you agree with the suggested explanatory notes for the off-screen talent criterion (see wording at Annex 7)? If not, please explain why, providing appropriate supporting evidence where possible.</p>	<p>Confidential? – N</p>
<p>8) Do you agree with our proposed change to exclude self-promotional content from the calculations? If not, please explain why, providing appropriate supporting evidence where possible.</p>	<p>Confidential? – N</p> <p>Yes, we strongly agree with this.</p>
<p>9) Do you agree with our proposed changes to the allocation categories (see wording at Annex 7)? If not, please explain why, providing</p>	<p>Confidential? – N</p>

<p>appropriate supporting evidence where possible.</p>	
<p>10) While we are not obliged to consult on our internal processes, we would welcome stakeholders' views on any adverse consequences we have not identified that may occur as a result of our planned changes in relation to our compliance and enforcement processes, namely:</p> <ul style="list-style-type: none"> a) data gathering and reporting by the broadcasters; b) more comprehensive data publications; c) proactive monitoring by Ofcom; and d) a clear articulation of the complaints process. 	<p>Confidential? – N</p>
<p>11) Do you agree with our proposal for the new Guidance and majority of changes to take effect from January 2020?</p>	<p>Confidential? – N</p> <p>No – for the reasons detailed in Answers (2) and (3) above.</p>