

TAC and S4C have undertaken discussions on how best to obtain an overview of production costs in order to assess value for money on productions. It was decided that it would be useful to obtain more detail from companies when submitting budgets and to standardise certain elements such as the production fee and administration costs.

Companies are requested therefore to follow the guidelines below when discussing a programme licence fee.

TAC and S4C will review the process within 18 months (December 2014).

When to submit a price/budget.	The relevant commissioner will discuss any submitted ideas with the company and if the idea is of interest S4C will request a price and budget in order to continue the discussion.	
Type of budget	A standard 36 schedule budget – an example can be found by clicking on this link. http://www.s4c.co.uk/production/downloads/forms/budget-pro-forma.xls	The same level of detail will not be required for returning series where the content is broadly similar to the previous series. Similarly S4C will not require the same level of detail for budgets of £30k or lower unless there are specific reasons for requiring further information.
Level of information	Companies are requested to provide details such as the number of days, rates for personnel and facilities noted in the budget. Companies are also requested to provide a breakdown of the various elements within a total price e.g. studio costs, OBs etc.	To obtain an overview across the industry of the cost of different elements of the production process, companies are requested to note the details in the appropriate schedule. Generally it would be expected that:- <ul style="list-style-type: none"> • personnel costs would be included in the schedules allocated for personnel (schedules 6 to 17)) and • equipment costs in schedules allocated to equipment (schedules 21 to 27) • National Insurance and Holiday Pay would be in schedule 18 • OB and studio costs in schedule 23 (or a copy to be provided of the details) No details will usually be required therefore in the following schedules schedule 17 (Crew - Others)

		<p>schedule 22 (Facility Package Arrangements)</p> <p>schedule 26 (Film Post Prod – unless a programme is produced on film)</p> <p>schedule 36 (subtitling/Theatre Performances)</p>
Price/Budget discussion	S4C will request a full budget when discussing the licence fee and before deciding on whether to commission the programme or not.	<p>When discussing the licence fee for a programme S4C will consider the total cost of the programme in the first instance. Elements that appear to differ from the norm would be discussed in more detail with the production company whilst taking the specific requirements of the programme into consideration.</p> <p>The intention will be to concentrate on the main cost drivers and any variation to the standard costs normally included in budgets.</p>
Production/management fee	Up to a maximum of 7% of the direct costs (i.e. the costs in schedule 5 to 33 in the standard budget)	It would be reasonable to expect a lower rate for long running series dependent on the nature of the series, the number of programmes and the production schedule.
Administration	Up to a maximum of 3% of the direct costs (i.e. the costs in schedule 5 to 33 in the standard budget).	<p>The cost of a production accountant and staff responsible for the administrative aspects of the project can be included as separate line items.</p> <p>It would be reasonable to expect a lower rate for long running series dependent on the nature of the series, the number of programmes and the production schedule.</p>
Insurance	Usually between 0.75% and 1.00% of the budget depending on production requirements.	Additional costs arising from the specific requirements of the programme will be discussed separately. Commercial/library music cost and archive costs do not need to be included when calculating the insurance premium cost.
Reporting	A cost report will be required with any request for a draw down of funds.	Companies are requested to provide a final cost report within 4 months of tape delivery.
Auditing	Productions will be audited to compare the actual final cost with the budgeted estimates.	Productions to be audited will be selected by reference to the value of the production or the variation between the actual

		cost and the estimates in the original budget.
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