
Report to: Business Innovation and Growth Panel

Date: 10 September 19

Subject: **CHANNEL 4 AND DIGITAL SECTOR SUPPORT**

Director(s): Henry Rigg, Executive Head of Economic Services

Author(s): David Shepherd, Charlotte Michael

1 Purpose of this report

- 1.1 To provide the BIG Panel with a progress report on Channel 4's investment in the City Region and subsequent delivery, and to outline the Combined Authority and LEP's increased support for the creative and digital sector through both the Creative Industries Opportunity Programme and the Digital Inward Investment Fund.
- 1.2 To seek views from the Panel on the ongoing development of the support offer for the creative and digital sector.

2. Information

Channel 4 National HQ – Delivery Update

Background

- 2.1 Since the relocation decision on 31 October 2018, Channel 4 has shown a strong commitment to its Nations and Region strategy, particularly with regards to its investment in Leeds City Region. Currently based in Platform in Leeds City Centre, the Channel 4 team is expanding across a number of roles and currently recruitment of local talent into its Technology Team is well underway.
- 2.2 Alongside this, a number of other companies within the sector have made investments in the region. These include:
 - Pact (Producers Alliance for Cinema and Television)
 - UKTV
 - Workerbee (Endemol Shine North)
 - The Garden

- NFTS (National Film and Television School)
- Wise Owl Films (Lime Pictures)

2.3 The Channel 4 Partnership Board has also been established, with representatives in attendance from across Leeds City Region and Channel 4. The board oversees the delivery of our commitments to growing the TV production sector and wider creative industries across the City Region, which have so far encompassed the activities set out below.

Sector Growth

2.4 Post-Channel 4 announcement, a number of activities have taken place to maximise the benefits.

- Redefining criteria of our existing schemes in order to make them more accessible to the creative industries (further outlined in section 2.8)
- Increasing knowledge of our business support schemes to the sector through our recent 'Let's Talk...Production' campaign
- Developing a number of bespoke initiatives under the 'Creative Industries Opportunity Programme' (further outlined in section 2.7)
- Ongoing engagement and account management with companies within the sector
- Communications with Growth Managers across the City Region to increase awareness of the needs of this sector and various support schemes available, both through the LEP and external organisations, such as Universities, Screen Yorkshire and Creative England

Skills Development

2.5 Post-Channel 4 announcement, a number of activities have taken place to coordinate the skills ecosystem and address the anticipated needs of the sector.

- A number of sub-groups involving industry and education providers have been formed to ensure productive discussions are taking place. These groups are as follows:
 - Skills Working Group: comprised of local authority skills representatives and Screen Yorkshire
 - TV Indies Panel: a formal group of independent production companies that help steer and shape the required interventions
 - Broadcaster Collaboration: a group of major broadcasters who convene to ensure the collective needs of the sector are understood and economies of scale are achieved
- Screen Yorkshire continues to be a key partner in the delivery of a range of initiatives, including the successful Beyond Brontes, which is now live. They are also continuing to enhance their Connected Campus initiative
- A number of other initiatives are soon to be in place, including Assistant Editor training, 'Future Goals', a mixture of interventions within our local schools network and the provision of support to encourage Indies to take on apprentices

- Interventions in the adult learning space include funding courses to retrain individuals in Digital skills, Employment Hubs and the Leeds City Region Skills Network
- A series of programmes and events have been identified that provide opportunities to develop a collaborative approach between Channel 4, Creative and Cultural Skills, Screenskills and local authorities. These will inform and enthuse the next generation of talent through the provision of Channel 4 open days, Discover! Creative Careers week, industry-led apprenticeship seminars and 'Open Doors'

Infrastructure

2.6 Leeds City Council has commenced investment in the infrastructure to be used across the TV and Film Production Sector. This includes:

- Established the Engine House as a post-production opportunity. The Expressions of Interest process is now complete and Leeds City Council is liaising with companies to seek a tenant. Completion is expected from Autumn 2019 as part of the wider Southbank regeneration
- A major TV and Film studio space in Leeds has now been announced. Negotiations are expected to be finalised later in the year, following which fit-out works will commence

Creative Industries Opportunity Programme

Overview

2.7 The Creative Industries Opportunity Programme has been created to capitalise on Channel 4's decision to open its National HQ in Leeds. The scheme will encompass a range of bespoke initiatives that were identified as critical during the bid to attract Channel 4. They are being designed and developed to facilitate the growth of the sector and mitigate any issues caused by its rapid expansion in the region. The initiatives will have a strong inclusivity focus and will encompass three main objectives;

- To support our region's young talent and diverse communities to benefit from the Channel 4 investment, leading to the development of the region's talent base
- To support the regional ecosystem of creative, digital and production companies to benefit from the Channel 4 investment, at pace, leading to the expansion of the production sector
- To support Channel 4 to successfully relocate to Leeds City Region, to establish operations in the region, build networks with industry and key stakeholders – meeting their timescales and deadlines

2.8 It is anticipated that the Opportunity Programme will be approved in Autumn 2019 and that the initiatives will run until December 2022.

Digital Inward Investment Fund (DIIF)

#Welcome & #Grow

- 2.9 The Digital Inward Investment Fund consists of two branded grant schemes:- #Welcome (for new to region businesses) and #Grow (for indigenous businesses with growth plan. Both schemes assist and incentivise creative and digital businesses to invest in Leeds City Region, with grants of between £10,000 to £50,000 available. The overall aim of this fund is to increase the size and impact of the sector in the City Region, including through more sustainable employment growth.
- 2.10 The LEP Board recently approved the criteria for #Grow, which have been designed to capitalise on the anticipated growth of the creative and digital sector in the City Region, and subsequent supply chain benefits of the Channel 4 investment. Demand for this support from indigenous businesses has been building, with over 30 recent enquiries from firms in the sector seeking investment and support to achieve their growth ambitions. The new criteria better reflect the make-up of the sector, with 94% being micro firms that are less likely to make large capital investments, such as those supported via the Business Growth Programme. The job creation requirement has also been relaxed to reflect the employment structure of the sector. However, there does remain a requirement for some permanent employment growth.

3 Financial Implications

- 3.1 There are no financial implications directly arising from this report.

4. Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5. Staffing Implications

- 5.1 There are no staffing implications directly arising from this report.

6. External Consultees

- 6.1 Extensive consultations have taken place with key organisations in the sector and relevant industry bodies to inform the expansion of support for creative and digital businesses. There has also been a strong steer from the Channel 4 Partnership Board.

7. Recommendations

- 7.1 That the Panel notes progress on Channel 4's investment in the City Region and subsequent delivery, and the Combined Authority and LEP's increased

support for the creative and digital sector, including through both the Creative Industries Opportunity Programme and the Digital Inward Investment Fund.

- 7.2 That the Panel provides views on the ongoing development of the support offer for the creative and digital sector in the City Region. .

8. Background Documents

None.

9. Appendices

None.