

TITLE OF REPORT: North East Screen Industries Partnership

REPORT OF: Peter Udall, Strategic Director, Economy, Innovation and Growth

Purpose of the Report

1. To seek Cabinet approval to enter into an Inter-Authority Agreement (IAA) relating to the North East Screen Industries Partnership (NESIP) and to provide the financial contribution for 2023/24 in accordance with the agreement.

Background

2. In early 2021, the BBC published a UK commissioning strategy – ‘The BBC Across the UK’ – and announced its commitment to increase out-of-London production by 10% by 2028 (equivalent to £700m of expenditure). This strategy sets out to ensure increased representation of communities throughout the UK across all BBC platforms and increase commissioning spend in the nations and regions.
3. A Memorandum of Understanding (MoU) between the BBC and the North East region was signed on 22 September 2021, following discussions and agreement with the three Combined Authorities and individual local authorities across the region. This set out the BBC’s intention to invest up to £25m over 5 years into regional programming and content and establish a new North East Screen Industries Partnership (NESIP) between the BBC and the North East local authorities, through which a co-ordinated regional Screen Industries development Programme would be funded and delivered.
4. On 22 March 2022 Cabinet approved the funding for 2022/23.

Proposal

5. The MoU set out a partnership vision and mutual investment targets by BBC and the North East authorities over a five year period to promote the development of region’s cultural and creative industries, through the strategic development of the local TV and screen industry and skills. In order to continue to deliver the required step-change in the growth of the screen industries sector across the North East, it is essential that investment continues to be committed by all of the North East authorities as a whole and in a collaborative way to deliver a sustainable eco-system.
6. It was agreed that Tees Valley Combined Authority (“TVCA”) would fulfil the role of Accountable Body for the North East authorities in relation to NESIP. An IAA is now required between the North East authorities to ensure the respective roles and responsibilities (including the mutual funding obligations) of the individual North East authorities involved in the partnership are clearly set out, and the

associated governance and financial responsibilities are clear.

7. The IAA will initially operate between TVCA, the North of Tyne Combined Authority (“NTCA”) and the four authorities within the North East Combined Authority (“NECA Authorities”), including Gateshead, for the period up to 2023/2024. With effect from 2024/2025 the intention is that the IAA will be novated by the NTCA and the NECA Authorities to the proposed new North East Mayoral Combined Authority (“NEMCA”) to then operate for the remainder of its term up to the end of 2026/2027.

Recommendations

8. It is recommended that Cabinet:
 - (i) Authorises the Strategic Director, Economy, Innovation and Growth, in consultation with the Strategic Director Corporate Services and Governance, the Leader of the Council and Portfolio Holder for Economy, to agree the final IAA in connection with NESIP on the terms as set out in this report and such other terms as may be approved; and
 - (ii) Approves a financial contribution of £158,481 for the period 2023/24 to support NESIP pursuant to the terms of the above agreement.

For the following reasons:

- (i) To support the delivery of the Council’s Economic Development Strategy.
- (ii) Specifically to increase opportunities for the development of media content businesses to grow or locate in Gateshead to provide more and better jobs for Gateshead residents

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Policy Context

1. On a local level, the IAA will directly deliver many objectives within the Thrive agenda, as follows
 - a. *Invest in our economy.* To invest in and promote the region's cultural and creative industries, through the strategic development of the local TV and screen industry and skills which increases external spend in Gateshead, to then increase local businesses in this sector in Gateshead.
 - b. *Opportunities for employment, innovation and growth.* To further support business case and attractiveness of cultural and creative media industries in Gateshead to provide more opportunities for employment of Gateshead residents.

Background

2. In early 2021, the BBC published a UK wide commissioning strategy – 'The BBC Across the UK' – and announced its commitment to increase out-of-London production by 10% by 2028 (equivalent to £700m of expenditure). This strategy sets out to ensure increased representation of communities throughout the UK across all BBC platforms and increase commissioning spend in the nations and regions.
3. A Memorandum of Understanding (MoU) between the BBC and the North East region was signed on 22 September 2021 following discussions and agreement with the three Combined Authorities and individual local authorities across the region. The MoU sets out the BBC's intention to invest up to £25m over 5 years into regional programming and content and a region-wide target commitment to seek to commit £11.4m to support creation of a sustainable screen industries ecosystem over the same period of time.
4. The MoU set out a series of shared ambitions and established a new North East Screen Industries Partnership (NESIP) between the BBC and the North East local authorities as a new partnership initiative through which a co-ordinated regional Screen Industries development Programme can be funded and delivered. Signing of the MOU followed a period of engagement with the BBC and partners across the region, co-ordinated by Northern Film & Media (now operating as North East Screen), which is the North East's not for profit regional screen agency.
5. UK's screen industry is flourishing, generating a Gross Value Added (GVA) of £6.1 billion in 2016 and representing growth of 140% over the past ten years. There is huge potential to grow the sector locally by capitalising on the rapid expansion of the industry at UK level, while the re-location of Channel 4 to Leeds is opening-up new opportunities for North-East-based companies. The growing interaction between film, TV & screen, and gaming & virtual reality (VR) is also catalysing new opportunities for UK creative content businesses which presents great opportunities to Gateshead's VR businesses.
6. Over a decade of low or no investment in screen sector support and infrastructure

and a lack of a regional production fund to attract new investment, combined with major programming cuts made by broadcasters in 2008, has left the North East as one of the smallest screen sectors in the UK. Less than 2% of content produced in the UK is made in North East and just 0.9% of production and post-production industry companies are based here.

7. Regional data on the sector and its impact is currently limited. Development of robust regional data will be critical as the North East Screen Industries Partnership moves forward. In the interim, data and research commissioned by the BBC, British Film Institute and the Liverpool City Region Film Office has been used to identify anticipated economic impact as follows:
 - BBC spend in the Nations and Regions has an economic multiplier effect of 2.63 for every £1 of spend
 - The average medium-sized production spends the majority of its budget (circa 67%) on 'non-screen' activities, including construction, professional services, logistics and hospitality & leisure
 - In the Liverpool City Region £7 was generated in the wider economy for every £1 investment via the production fund, which drives demand for and supports the growth and sustainability of local supply chains, talent development pipelines and the visitor economy.
8. Gateshead is well placed to benefit from growth in the screen sector and given the existing cluster of production firms, the range of content production services at PROTO and facilities at the Pride Media Centre.

Consultation

9. The Leader and Deputy Leader and Economy Portfolio Holders have been consulted in the preparation of this report.

Alternative Options

10. The alternative option would be to not support the regional funding proposal. However, this would be contrary to the strategic objectives and commitments of the North East authorities and the BBC through the MoU to promote the region's TV and screen industry and skills.

Implications of Recommended Option

11. **Resources:**

a) Financial Implications –

Gateshead Council's annual share of the North East Regions local authority contribution is £158,481.

The Strategic Director, Resources and Digital, confirms that Gateshead Council's contribution has been provided for in the 23/24 budget and the Medium-Term Financial Strategy.

b) Human Resources Implications – None

c) Property Implications - None.

12. **Risk Management Implication** - This approach has a number of risks, which are addressed below:

Project does not deliver outcomes. The proposal will be monitored against economic data to be agreed and outcomes assessed. The governance proposals will allow for the approach to be modified during the year to better target the programme to deliver the outcomes.

Monitoring requirements will be agreed across the region and with North East Screen to enable reporting within individual local authorities, combined authorities and to the NE Screen Industries Partnership.

13. **Equality and Diversity Implications** - There are no equality and diversity implications arising from this report..
14. **Crime and Disorder Implications** – There are no crime and disorder implications arising from this report.
15. **Health Implications** – There are no health implications arising from this report although the improved opportunities for business and employment are a determinant of health.
16. **Climate Emergency and Sustainability Implications** - There are no climate emergency or sustainability implications arising from this report.
17. **Human Rights Implications** - There are no human rights implications arising from this report.
18. **Ward Implications** - Proposals will impact the whole borough.

Background Information

19. None.