PURPOSE OF REPORT

The Greater Manchester Local Growth Fund Round 3 priorities agreed by GM LEP included £15m for International Screen School Manchester (ISSM) to drive skills development and innovation, as well as the science/innovation asset base, in the GM digital and creative sectors. The ISSM was an integral part of the recently completed GM/East Cheshire Science and Innovation Audit, and was recommended by the Chancellor of the Exchequer in the 2016 Budget.

This report provides details on the ISSM and outlines the way in which it will work and the impact it will have. The £15m Growth Deal 3 grant agreed by GM LEP will match the contribution being made by Manchester Metropolitan University. Together this funding will be used to establish a new centre for business skills and innovation on Corridor Manchester, that will benefit the whole of the GM creative and digital supply chain.

RECOMMENDATIONS:

Leaders are asked to:

i) Note the proposed plans and timescale for the development of the ISSM

ii) Endorse the GM LEP approval of a grant of £15m of Local Growth Deal Funding 3, matched with £15m from Manchester Metropolitan University to develop the ISSM.

iii) Agree that the GMCA Treasurer/Monitoring officer should finalise the terms of the grant agreement.

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Risk Management – see paragraph 7.2
Legal Considerations – see paragraph N/A
Financial Consequences – Revenue
Financial Consequences – Capital

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<th>TRACKING/PROCESS</th>
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<td>Does this report relate to a major strategic decision, as set out in the GMCA Constitution (paragraph 14.2) or in the process (paragraph 13.1 AGMA Constitution) agreed by the AGMA Executive Board:</td>
<td>Yes / No</td>
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<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?</td>
<td>No</td>
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1. INTRODUCTION

1.1 Over recent years, the UK - and Greater Manchester in particular - has become home to a large and fast growing set of ‘screen-based’ sectors characterised by strong connections between digital skills and creativity, combining technology and story-telling - including film, TV, animation, games and post-production. The skills underpinning these sectors are driving innovation in a wide range of new areas of digital technology - such as immersive media, virtual and augmented reality - which relate directly to the development of key growth industries such as online retail and distribution, smart cities and the internet of things.

1.2 The International Screen School Manchester (ISSM) is a response to, and an investment in, this dynamic set of skills needs cutting across the creative and digital economy. Working with a broad range of businesses, the ISSM will be a creative and digital skills powerhouse, supporting growth and innovation across Greater Manchester, the North West and the UK as a whole. It will form an integral part of the science and innovation asset base to drive innovation in the GM creative and digital sectors, as recognized by the recently completed GM/East Cheshire Science and Innovation Audit.

2. BACKGROUND

2.1 The creative and digital industries are among the fastest growing in the Greater Manchester economy, accounting for over 55,000 jobs and generating over £3 billion GVA per annum, with the potential to grow to £4.5 billion over the next decade. Manchester and Salford form the core of the business base – accounting for approximately half of all jobs in the sector in 2013. Within the digital content sub-sector, television programming and broadcasting activities along with motion picture, video and television programme production activities accounted for approximately 4,000 jobs in 2013 and is recognised to be a particular sub-sector specialism for Greater Manchester.

2.2 Although the existing statistics are already impressive, it is the growth potential that presents the real opportunity. Between 2014 and 2024, the Greater Manchester Forecasting Model estimates that almost 12,000 additional jobs will be created in the digital and creative sector, equating to growth of almost 19% - more than double the 8% growth rate forecast for the Greater Manchester economy overall. Manchester is now Europe’s second largest creative, digital and media hub and the industry is growing faster in the city than anywhere else in the UK.
3. CREATIVE AND DIGITAL TALENT

3.1 The ISSM will be a centre for creative content production and digital talent development, supporting business growth for Greater Manchester, the North West and the UK as a whole. It will host industry-driven research and innovation, and will train the next generation of talent to enable the UK to continue to grow and compete internationally across the digital and creative media sectors. Designed to be a new model of agile and interdisciplinary education, it will work with industry as partners in learning, research and innovation, hosting a diverse programme of apprenticeships, undergraduate, post-graduate and professional CPD provision.

3.2 30% of all students at Manchester Metropolitan come from the GM area and the new facility is intended to provide a vital resource for young people and businesses locally. By year 3, it will cater for 1500 students across Film and New Media production, Applied Gaming, User Experience Design and Business Management. It will include a new programme of Degree Apprenticeships and, in addition, a body of short courses catering for more than 1000 professional learners annually. It will specialise in industry-standard digital media production – providing new degree-level apprenticeships, short courses and a programme of executive education for mid-career talent, as well as a programme of outreach with schools and community groups.

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<th>Type of course</th>
<th>Number of students by year 3</th>
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<tr>
<td>Degree Apprenticeships</td>
<td>175</td>
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<tr>
<td>Undergraduates</td>
<td>1150</td>
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<td>Postgraduates</td>
<td>160</td>
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<tr>
<td>Short courses</td>
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4. HARNESSING GM’s ASSET BASE

4.1 The ISSM will provide opportunities to build on the collaborative research programmes already in place with the Universities of Manchester and Salford, and it is envisaged that partnerships will be established with Manchester and Salford City Colleges, to support a pipeline of talent and a programme of joint learning.

4.2 Building on investments made at Media City, Sharp, Space, Home and other projects, the ISSM will be a centre for business innovation and skills across the GM creative and digital supply chain.
4.3 The core focus of the ISSM is to support industry to secure the skills needed to drive ongoing innovation, growth and transformation. In addition to a range of core creative and technological programmes, the ISSM will build on Manchester Metropolitan University’s successful portfolio of Digital Degree Apprenticeships and introduce Continued Professional Development programmes that are tailored to addressing industry specific requirements, accessible to a range of learners.

4.4 The ISSM will provide a home for innovative interdisciplinary research activities, and incorporates a business hub offering 24/7 access to touch-down space, meeting rooms, collaborative workshop spaces, and a front-door to a network of business support across GM. The hub will be a major provider of innovation and business advice for digital and creative start-ups serving the North West region and will provide access to a set of constantly evolving technological resources.

4.5 Partnerships are being established with Manchester Creative Digital Assets and with Allied London, to ensure complementary support for the full range of learners and to provide shared resources and job experience opportunities. A broad range of industry partners are already working with the University to develop the ISSM Apprenticeship programmes, including Magnetic North, Apadmi, Cisco, IBM, CDI, and Autotrader.

4.6 Recent discussions with MediaCity UK, Dock 10, the BBC and ITV have re-inforced the potential for collaboration and joint working across the city region, and a series of partnership agreements are being put in place.

4.7 Senior personnel from BBC and ITV have also agreed to join the ISSM Industry Advisory Group, which will bring together a range of leading figures in the sector, and will be chaired by Danny Boyle.

5. STRATEGIC PRIORITIES

5.1 The development of the ISSM is in-line with the Government’s recently published Northern Powerhouse Strategy, which identifies Digital as one of four economic strengths, and skills development as one of four priority needs. It is also in line with a wide range of recently published GM strategic documents as below.

5.2 The GM and EC Science and Innovation Audit acknowledged the importance of the digital sector and made specific reference to the ISSM: "The planned International Screen School at MMU will bring Science and Creative Innovation together in a new interdisciplinary Higher Education resource, designed and run with industry as partners
in learning. Based in Corridor Manchester, it will create a valuable lynch pin for activities in the Creative Digital Sector and become the generator of a new interdisciplinary talent pipeline that will benefit the region and beyond. Projects such as the International Screen School Manchester can support the creative and cultural offer, while driving innovation in GM across the digital and technology sector through collaboration in skills, facilities infrastructure, and networking.”

Science and Innovation Audit of Greater Manchester and East Cheshire, 2016

5.3 The Greater Manchester Work and Skills Strategy and Priorities 2016 to 2019 seeks to drive the provision of economy responsive skills provision. It specifically recognises that: “The emphatic message from employers is that skills gaps are an inhibitor of growth and investment, especially in sectors such as digital... Put simply, a lack of skills holds GM back. Therefore, identifying and acting quickly to rectify skills deficiencies, and ensure the skills system meets the needs of the economy, must be a central plank of the city region’s economic challenge”.

GMCA Work and Skills Strategy and Priorities, 2016-2019

5.4 This challenge was also recognised in the New Economy Creative and Digital Industries Deep Dive which noted: “Digital and creative, more than any other sector, is built upon the talent and innovation of its workforce, and many companies involved in the development of creative content and new forms of media place an emphasis on a young and high skilled workforce... There is a concern about the readiness of the future workforce, the level of STEM competence, and the combination of technical and softer skills. There is a need to increase the quality and readiness of the young workforce, which presents changes for the schools system and further and higher education”.

New Economy Deep Dive 04: Creative and Digital Industries, September 2016

5.5 The Deep Dive report notes that across the North West, the proportion of the sector’s workforce holding a qualification at level 4 or above is nine percentage points behind the national average while the proportion of workers in the creative industries holding no qualifications is more than double the UK average at 7%. The Work and Skills Strategy goes on to acknowledge that the most obvious qualifications gap is at level 4 with the sub-region reporting a significantly lower proportion of employees working in the sector holding this level of qualification than nationally. The report’s conclusion is that: “To compete with other cities and to serve its burgeoning digital economy, GM needs to focus attention on growing digital-related level 4 plus qualifications.”
6. **FUNDING ISSM**

6.1 The £30m ISSM will be a 4,700m$^2$ facility located on the Oxford Road Corridor within the Manchester Metropolitan University campus. The ISSM will provide state-of-the-art facilities that respond to both modern learning needs and industry skills requirements and cater for a growing student intake across creative and technological disciplines and greater collaboration with industry, with varied use-mix anticipated for each element of the learning resource.

6.2 The facility has been designed to respond to industry and learning needs, and discussions with partners across the city have helped to ensure that what is proposed will complement and support existing innovation and skills assets. The ISSM will include:

- A body of production studios and labs to accommodate all aspects of media production including Motion Capture, VR, Animation and Special Effects, and an Experience Design Innovation Lab.
- Adaptable state of the art production studios including Green Screen facilities, Immersive Presentation Facilities and Post-production Suites.
- Craft-based equipment and resources with a range of fixed interactive learning labs and research facilities.
- Dedicated teaching space designed as highly flexible learning spaces able to respond quickly to changes in technological infrastructure and learning practices
- Adaptable Screening rooms and digital presentation spaces that will be open to the public at set times.
- Dedicated innovation space, incorporating business and entrepreneurship programmes and collaborative spaces for research and development with industry partners.

6.3 The building will be equipped with specialist equipment (leased to ensure the ISSM can adapt to changing requirements and advancements in technology over time) including high end cameras and lighting, sound recording gear, 3D printers and editing software, to support a practical learning experience and a constantly-updated lab environment.

6.4 Investment in a new facility is essential to support growth in demand. The current estates provision at Manchester Metropolitan University is in the lower quartile in the UK for both non-residential and core teaching space per student meaning that further intensification of existing
provision within the estate would not be appropriate due to the negative impact on learner experience.

7. IMPACT

7.1 The ISSM will be a creative and digital skills powerhouse, being a key asset in supporting innovation, growth and skills development of these priority sectors for Greater Manchester, the North West and the UK as a whole.

7.2 A Green Book Business Case has been prepared, including a full options appraisal undertaken by independent economists. The preferred option demonstrates that the ISSM will have a significant impact:

- Creating more than 150 net FTE jobs
- Generating £13m annual GVA for the local economy
- Providing a return of £9 for every £ granted
- Supporting more than 100 businesses annually
- Providing short courses for more than 1000 every year.

8. RECOMMENDATIONS

8.1 See the front of the report.