

# Platform, Stoke-on-Trent and Staffordshire's Moving Image Cluster – Evaluation and Next Steps

Final Report

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**BOP**  
Consulting



# Credits

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# Executive Summary

BOP Consulting was commissioned by Staffordshire Chamber of Commerce to undertake an evaluation of Platform's first two years of operation. This looks at the impact of Platform on the audio-visual sector and the wider creative industries sector in Stoke-on-Trent and Staffordshire, their potential for growth, and provides recommendations for the type and scale of support for the sector.

We find evidence that Platform is delivering against each part of its mission to increase “economic value, innovation, national and international profile and creating sustainable employment and growth” for Staffordshire's moving image economy.

Platform is helping to create economic value:

- Staffordshire is attracting inward investment in the screen industries. A former bank property in Hanley town centre has become new home of Carse and Waterman animation studios.
- Platform delivered 'Be More Stoke' (part of Creative England's 'Be More Creative' event series), attracting 130 attendees from across the Midlands, with one Staffordshire business indicating in response to a survey run by BOP Consulting for this project that this attendance has helped them secure business worth up to £50,000 to them.
- This investment is improving perceptions of Stoke-on-Trent and Staffordshire. Local businesses responding to our survey are most keen to see Platform focus on further improving these perceptions. This promises a virtuous circle: the more perceptions of the locality in relation to the screen industries improve, the more investment the locality will attract into these industries, the more investment it attracts the more perceptions will further improve.

Platform is facilitating innovation:

- Platform has delivered four masterclasses, covering finance, production and VFX.
- Most local businesses surveyed by BOP Consulting indicated that 'new contacts' is a benefit of attendance at Platform events.
- Other benefits reported from these events were 'new insights/perspectives' and securing 'new supply chain (e.g. entering into any commercial, development or distribution arrangements with other companies or local talent)'.

Platform is raising the national and international profile of the moving image sector of Staffordshire:

- Three Platform companies, as well as Platform itself, were listed in Creative England's CE50 (most influential and disruptive companies in 2018).
- Platform attracted 70 attendees, including seven Staffordshire MPs and seven national agencies, to a showcasing event in the House of Commons.
- Platform has been invited to participate in numerous of creative industries conferences and engagements in the USA.

Platform is contributing towards sustainable employment and innovation:

- We surveyed businesses on how their total employment evolved between the end of 2017 and the end of 2018. Those

businesses based in Staffordshire that replied to this question<sup>1</sup> indicated that their total employment increased by 34% over this period – from 28 workers across these businesses to 37.5 workers.

- Based on a Location Quotient analysis, we do not now find that Staffordshire has a statistical cluster within the screen industries. However, we also find that if all businesses within the screen industries of Staffordshire maintained a rate of employment growth equivalent to that reported in our survey, Staffordshire would have a statistical cluster of screen industries employment by 2020. The importance of such clustering to sustained growth within the creative industries is well-established - most recently, for example, in Sir Peter Bazalgette's independent review of the creative industries. Achieving a statistical cluster in the screen industries would be a major achievement for Staffordshire and a catalyst to further growth.
- Nine out of 11 Staffordshire businesses that replied to our survey indicated that they are more confident in the business environment in Stoke-on-Trent and Staffordshire for the screen industries than two years ago. Platform is helping to build this confidence, which is necessary for Staffordshire to achieve the screen employment growth rates needed to achieve a statistical cluster.

share of the increasingly important output associated with the creative industries.

Platform, however, faces challenges in helping its members build upon the foundation that its first two years have created.

Businesses within the Platform cluster tend to be relatively small scale. None of the businesses that replied to our survey have a turnover above £500,000.

Therefore, employment expansion within the screen industries of Staffordshire depends upon:

1. More start-ups continuing to emerge in the screen industries of Staffordshire
2. The existing businesses successfully scaling up
3. Or, ideally, some combination of 1 and 2

We recommend that this winning combination is secured through two channels:

- Seizing opportunities for support of Platform's agenda through broader strategies and trends, and
- Enhancing the capacity of Platform itself to provide the soft infrastructure that will assist local businesses to take the next steps in their growth ambitions.

In our concluding chapter, we provide greater detail on recommendations to best utilise these channels.

Platform can be proud of what it has achieved over its first two years. They have helped to create a foundation from which the moving image sector can further grow in Staffordshire. This growth would allow Staffordshire to enjoy a larger

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<sup>1</sup> 7 businesses in Staffordshire replied to this question.



Production still from "War Above The Trenches, a two-part drama for UK and French TV" - © Dawn Jutton

# 1. Introduction

BOP Consulting is an international consultancy specialising in culture and the creative economy.

Platform is the Moving Image Cluster for Stoke-on-Trent and Staffordshire. It is focusing on the core areas of Film, TV, Animation and Games. It is seeking to provide a support and advocacy structure to advance these sectors within Stoke-on-Trent and Staffordshire. It is led by industry professionals and aims to provide a unified voice for the local sector, as well as a showcase to the creative wealth and talent of the county.

Platform celebrated its second birthday in March 2019. To mark the occasion, Platform commissioned BOP to review what it had achieved to date and look ahead to what it might achieve in future.

## 1.1 Background

The region lacks a large metropolitan centre with Stoke-on-Trent – population 260,000 – being comprised of six towns, spatially linear and each with an identifiable town ‘centre’. The city then provides an unusual and challenging location to establish a creative cluster.

In 2008 Peter Rudge was one of the producers on the feature film *Soulboy* that shot in the city of Stoke-on-Trent and kick-started the process of building the city and the region as a location for production. Following the success of *Soulboy*, the North Staffordshire Regeneration Partnership commissioned research to look at how the film and television industries could be supported and developed in the region. Following this research, the Stoke Film Office was

established, and the local animation and film festival was successfully rebranded as the *Stoke Your Fires* festival.

This process of development over the last 10 years has been instrumental in developing not just the screen sector but promoting the digital creative sector as a whole in the region. Since research and development started on the Platform cluster in 2014, the creative sector has doubled in size from 1,312 businesses (turnover £218m) to 2,680 companies (turnover £483m), emphasising the value of producing research data and strategic recommendations alongside an active programme of lobbying and advocacy.<sup>2</sup>

## 1.2 Our Brief

BOP’s brief was to:

- Audit and evaluate Platform’s achievements to date
- Consult on these achievements and on Platform’s potential evolution
- Make recommendations as to how this evolution could be most successfully undertaken.

## 1.3 Our Approach

BOP responded to our brief by:

- Auditing Platform events, attendances, media coverage and occasions when the cluster has been represented in other industry or public forums.
- Analysing Office of National Statistics (ONS) data to assess the current levels of relevant economic activity in the county

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<sup>2</sup> Data from Stoke-on-Trent council.

- Running an online survey of individuals and companies affiliated with Platform, and any other audio-visual practitioners in the county.<sup>3</sup> This survey tested levels of business activity and confidence in the future
- Building case studies of similar clusters, which are at a later stage of development, to benchmark the progress of Platform, identify opportunities to share knowledge, and to assist Platform in adopting best practice in its further development.



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<sup>3</sup> This survey received 14 responses – with 9 of these coming from businesses based in Stoke-on-Trent or elsewhere in Staffordshire.

## 2. The Screen Industries in context of Stoke-on-Trent and Staffordshire

This chapter briefly reviews:

- The growing economic importance of the creative industries in general and more precisely, the screen industries to the UK economy
- The relative failure of Stoke-on-Trent and Staffordshire to date to capture economic growth associated with the screen industries
- The economic context of Stoke-on-Trent and Staffordshire

### 2.1 Creative Industries: Growing Importance

The creative industries are an increasingly important part of the UK economy. The government defines the creative industries as nine distinct sub-sectors – with the screen industries straddling a number of these sub-sectors.

In November 2018, DCMS reported that the creative industries contributed £101.5bn to the UK economy in 2017, an increase of 53.1% since 2010 (£66.3bn). Based on current trends, the creative industries are expected to deliver close to £130bn GVA by 2025 and approximately one million new jobs could be created by 2030.<sup>4</sup> Jobs in the creative category are highly resistant to automation, with 87% of creative workers in the UK assessed as being at low or no risk.<sup>5</sup>

The screen industries are an important part of the creative industries. For example:<sup>6</sup>

- In 2013 the core UK film sector:
  - o supported 39,800 Full-Time Equivalents (FTEs) of direct employment
  - o and contributed £1.4 billion in direct Gross Value Added (GVA).
- The UK film sector generated nearly £1.4 billion in exports in 2013, yielding a trade surplus of £916 million.
- In 2013 the High-End Television (HETV) sector:
  - o supported 8,300 FTEs of direct employment
  - o and generated £382 million in direct GVA
- In 2013, the core UK video games sector:
  - o supported 12,100 FTEs of direct employment
  - o and contributed £755 million in direct GVA.
- In 2013 the animation programme sector:
  - o supported 1,300 FTEs of direct employment
  - o and contributed £54 million in direct GVA.

The screen industries were commended by Sir Peter Bazalgette in his independent review of the creative industries in 2017. “Our video games grip the imagination of the world,” he wrote. “We own half the international trade in TV formats.”

“However,” Bazalgette continued, “this creative strength cannot be taken for granted as if it were an endless natural resource: it needs to be nurtured through our education and skills systems else we risk falling back as countries such as China move forward.”

<sup>4</sup> Projections provided in Sir Peter Bazalgette, *Independent Review of Creative Industries*, 2017

<sup>5</sup> Bakhshi, H. Frey, C.B. Osborne, M. *Creativity vs. Robots – The Creative Economy and the Future of Employment*, 6 (Nesta, 2015)

<sup>6</sup> Olsberg SPI with Nordicity, *Economic Contribution of the UK's Film, High-End TV, Video Game and Animation Programming Sectors*, February 2015

Sharpening international competition was not the only challenge identified by Bazalgette. “The geographic spread of the Creative Industries is a concern; they are one of the most unevenly spread sectors, behind only agriculture, finance and insurance.”

Nonetheless, Bazalgette sees potential for this geographic spread to become more even.

“ We have clusters around the UK with the potential to reach world-class status, with many more middle-ranking clusters besides. The challenge is for local partnerships of councils, LEPs, higher education and business to develop long-term strategies which merit and receive tailored support from government and national agencies.

## 2.2 Creative Industries: Underrepresented Locally

Due to the relatively high growth rate of the creative industries and their resistance to automation, these sectors are likely to contribute an increasing proportion of employment within the UK. Initiatives like those prompted by Bazalgette also hold out the promise that this rising employment will become more evenly dispersed across the UK – provided localities can take the steps needed to seize these opportunities.

While Platform represents an attempt to do so within Stoke-on-Trent and Staffordshire, the employment footprint of the screen industries within Stoke-on-Trent and Staffordshire has lagged elsewhere in the country.

The screen industries might be taken to cover two of the nine sub-sectors that DCMS use to define the creative industries (first – Film, TV, Video, Radio and

Photography; second – IT, Software and Computer Services). The table below shows employment in Stoke-on-Trent and Staffordshire in 2017 within the various industries that form these two sub-sectors.

**Figure 1: Employment in Screen Industries in Staffordshire and Stoke-in-Trent (2017)**

	Staffordshire	Stoke-on-Trent
Motion picture, video and television programme production activities	125	25
Motion picture, video and television programme post-production activities	10	0
Motion picture, video and television programme distribution activities	10	0
Motion picture projection activities	200	125
Radio broadcasting	50	50
Television programming and broadcasting activities	50	0
Photographic activities	150	75
Publishing of computer games	0	0
Other software publishing	75	0
Computer programming activities	1000	200
Computer consultancy activities	3000	1000
Total employment	4670	1475
LQ	0.5	0.5

Source: BRES survey by ONS and BOP LQ analysis

Location quotients describe the extent to which there is a comparative cluster of businesses. It compares the density of certain kinds of workers in an area to the nation average. A figure of 1 or above means a higher density than the Great British average, and lower than 1 indicates less density.

On this basis, the LQ numbers in the table above indicate that Staffordshire and Stoke-on-Trent do not now have employment clusters in the screen industries.

## 2.3 The Local Economy

“Whilst productivity has been increasing in terms of overall levels of Gross Value Added (GVA),” concedes the Stoke-on-Trent and Staffordshire Enterprise Partnership, “relative levels of GVA continue to lag behind other parts of the

country and improving this situation is a key aim of our Strategic Economic Plan (SEP)".<sup>7</sup>

Having the local economy enjoy more of the benefits of the screen industries would contribute to this SEP goal. Local universities are instilling the skills required to work in these industries. For example, students at Staffordshire University benefit from the £11.5 million Cadman Studios. This features production and post production facilities, including a fully kitted out TV centre with control rooms.

Staffordshire University is a recognised centre of excellence in games development and screen industries – particularly film. The BSc Film Production Technology degree at Staffordshire University had a 100% employability record in 2017. The most successful moving image companies in Staffordshire have been formed by Staffordshire University.

While this Higher Education (HE) provision can help students begin careers in the screen industries, Platform is intended to ensure that more of them continue this trend of starting and growing businesses in these industries within Staffordshire.



*Paul Ashton launches West Midlands Production Fund at Be More Stoke*

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<sup>7</sup> <https://www.stokestaffslep.org.uk/how-are-we-doing/>

## 3. Platform: Evaluation

This chapter evaluates Platform by:

- Reviewing the background and mission of the initiative
- Auditing its achievements, and
- Reporting upon a survey that BOP has undertaken with the Platform network, which both looks back at these achievements and ahead to what Platform might achieve next.

### 3.1 Background

Stoke-on-Trent City Council and the Stoke-on-Trent and Staffordshire Local Enterprise Partnership commissioned a framework strategy for a Staffordshire Moving Image Cluster, published in 2016. This set out:

- A sector definition, encompassing the film, television, games and animation industries and their supply chains
- A focus on professional activity by both companies and freelancers

Previous research had identified barriers that the cluster would need to address:

- Fragmentation of the moving image community in the region
- Lack of production infrastructure inhibiting growth
- Lack of co-operation, collaboration and project development between businesses
- A disconnect between the sector and the region's universities, leading to a lack of cooperation and R&D activity and investment
- Low national/international profile and very limited marketing combining in negligible levels of inward investment

The Cluster, therefore, adopted a mission:

“ To lead the development of the Moving Image economy in Staffordshire, increasing its economic value, innovation, national and international profile and creating sustainable employment and growth.

### 3.2 Platform's Achievements

BOP worked with Platform to audit and categorise its achievements into the following areas:

- Showcasing events
- Workshops for cluster members
- Advocacy outcomes and recognition
- Inward investment
- International activity
- Partnerships

#### Showcasing Events

In March 2018, Platform organised a showcasing event in the House of Commons. This had a focus upon two Staffordshire businesses with recent high-profile productions:

- Slick Films – The Silent Child (Rachel Shenton/Chris Overton)
- ASA Productions – War Above the Trenches (Stephen Saunders)



Chris Overton, Rachel Shenton, Peter Rudge and Jeremy LeFroy at the House of Commons event

70 attendees at this event including:

- Damian Collins MP, Chair of the DCMS Select Committee
- Six Stoke-on-Trent and Staffordshire MPs
- 17 London-based film and digital companies, such as Bedlam Productions, Framestore, Tiger Aspects, The Mill and Molinaire
- 10 Staffordshire companies
- Seven National Agencies (BAFTA, Creative England, PACT, KTN, Innovate UK, DIT, NESTA)

In partnership with Creative England, Platform delivered 'Be More Stoke' (part of Creative England's 'Be More Creative' event series) on Wednesday 21 March 2018. This event:

- Attracted over 130 attendees (around 60 businesses) from across the Midlands
- Created a national spotlight on Stoke-on-Trent as a centre of moving image talent
- Generated numerous media articles and online coverage
- Caused #BeMoreStoke to trend nationally on Twitter
- Provided networking opportunities across the moving image supply chain
- Involved Creative England announcing their West Midlands Production Fund (£1m of funding for the region).

## Workshops for Cluster Members

Platform organised 4 events for cluster members:

- Access to Finance Workshop 1 - Innovate UK/KTN - Nov 2017. 28 cluster SME's attended the workshop at Staffordshire University, followed by 1-2-1 sessions with the Head of Digital at Innovate UK and the Creative Industries advisor for KTN.
- Access to Finance Workshop 2 - Midlands Engine Investment Fund - March 2018. 30 cluster SMEs attended the workshop with Midland Engine Fund managers to hear about options for debt and equity finance. Followed by 1-2-1 advice sessions.
- Producing masterclass - Olwyn Sylvester of Bedlam Productions (producers of The King's Speech) - June 2018. Over 40 SMEs and individuals attended the 'in conversation' event held at the Chamber of Commerce, Stoke-on-Trent. Followed by networking and a social event.
- Access VFX event at Kings Hall - Sept 2018

## Advocacy Outcomes and Recognition

Three Platform companies, as well as Platform itself, were listed in Creative England's CE50 (most influential and disruptive companies in 2018):

- Platform (Cluster)
- Carse and Waterman (Animation)
- Enlighten (AR/VR/MR)
- Rachel Shenton (Film)

In addition, Platform boasts two companies within the top 50 production companies listed by Creative England:

- Inspired Film and Video – Prolific North Top 50 (Jan 18)
- Reels in Motion – Televisual Top 50 (May 18)

Finally, Stoke-on-Trent was one of a handful of cities shortlisted as a potential location for a Channel 4 Creative Hub and now in continuing dialogue to develop a working relationship with the broadcaster.

## Inward Investment

Staffordshire has started to attract inward investment into its moving image sector. This has come in the form of the purchase of a former bank property in Hanley town centre. This the new home of Carse and Waterman animation studios. The website of this company states:

“ We are based in Stoke-on-Trent, which is perfectly located to work all over the UK covering major cities such as Manchester, Birmingham and London.

## International Activity

Platform has been invited to participate in numerous of creative industries conferences and engagements in the USA:

- In June 2017, Chapman University in Los Angeles hosted the Building EU-US Networks Through the Creative and Cultural Industries Conference and Peter Rudge of Platform was one of the speakers at the conference.
- Peter Rudge was also selected to take part in the Create Festival in the USA. Held each year in Pittsburgh, Create began as a grass-roots festival of art and technology and now partners with Carnegie Mellon University, ZERO1 Silicon Valley and the Pittsburgh Technology Council. Peter spoke at the June 2018 festival, which reflected on such issues as the future of creative cities and the economies of creative technology.

- Platform has shared research and best practice with Creative Economies Office, Washington DC, USA, meeting with officials from this organisation in early 2019.

## Partnerships

Since its inception, Platform has developed partnerships with the following national organisations:

- BFI
- British Screen Advisory Council
- Creative Industries Federation
- Creative United
- Digital Catapult
- London Screen Academy

Platform research has been used as evidence by All Party Design and Innovation Group, as well as the House of Lords Select Committee on Coastal Towns.

## 3.3 Survey of Platform Cluster

In partnership with Platform, we ran a survey of its network. In this section, we analyse our findings from this survey.

### Economic Footprint of Platform Cluster

Businesses within the Platform cluster tend to be relatively small scale. None of the businesses that replied to the survey based in Stoke-on-Trent and Staffordshire have a turnover above £500,000.

The economic footprint of these businesses, however, seems to be increasing rapidly. We asked businesses how their total employment evolved between the

end of 2017 and the end of 2018. Those businesses based in Staffordshire that replied to this question<sup>8</sup> indicated that their total employment increased by 34% over this period – from 28 workers across these businesses to 37.5 workers.

Based on a Location Quotient analysis presented in the previous chapter, we do not now find that Staffordshire has a statistical cluster within the screen industries. However, if all businesses within the screen industries of Staffordshire maintained a rate of employment growth equivalent to that reported in our survey, Staffordshire would have a statistical cluster of screen industries employment by 2020.

The respondents also have building confidence in their economic future. Only 2 respondents indicated that they are less confident in the business environment in Stoke-on-Trent and Staffordshire for the screen industries than 2 years ago. In contrast, 9 respondents replied that their confidence in this local business environment has increased over this period.

## Strengthening Supply Chain

When asked whether the local supply chain could be strengthened, 7 out of 8 respondents to this question replied, 'yes'.

These respondents were then asked for their suggestions on how to secure this strengthening:

- Some respondents stressed the importance of the local sector being better networked. Examples of such comments were:

“ [An] online portal of local suppliers, awareness raising and marketing of local supply chain by a central body [would help].

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<sup>8</sup> 7 businesses in Staffordshire replied to this question.

“ There needs to be an understanding of who is here, what they do and when people want to come and film in the city who they need to speak to and where they can find cast, crew, and equipment.

- Other respondents flagged the importance of deepening skills, e.g.

“ The region needs a broader range of skilled freelance crew but also physical resources like equipment hire and post production facilities.

“ Greater skills base in the region. There is a need to see more skills development programmes that target the film and TV sectors.

- Finally, one respondent suggested a facility for renting/sharing equipment.

## Benefits of Platform Events

Staffordshire businesses indicated a range of benefits from participating in Platform events:

- Making new contacts
- Gathering new insights/perspectives
- Securing new supply chain (e.g. entering into any commercial, development or distribution arrangements with other companies or local talent).

When respondents were asked to comment in greater detail on these benefits, one business replied:

“ At the Be More Stoke event we made a contact which has resulted in a collaborative project worth up to £50,000 to us.

Another replied:

“ Awareness raising of our business and nomination and successful inclusion in CE50 2018. Opportunity to showcase our products at numerous Platform/Chamber events.

A further respondent commented:

“ Our relationship with other production companies has been strengthened and has given us confidence to work with them on productions. This has allowed us to take a step up in terms of the level of quality we can now offer our clients.

Finally, the respondent on behalf of Stoke-on-Trent Council replied:

“ As a civic leader, involvement in Platform has both given me an insight into the sector locally, enabling me to use my position to shine a light on it both internally and externally, as well as being able to consider its role within the wider economy of the city. It has led me to

start to build stronger relationships with local companies and the sector in general.

## Platform: Looking to the future

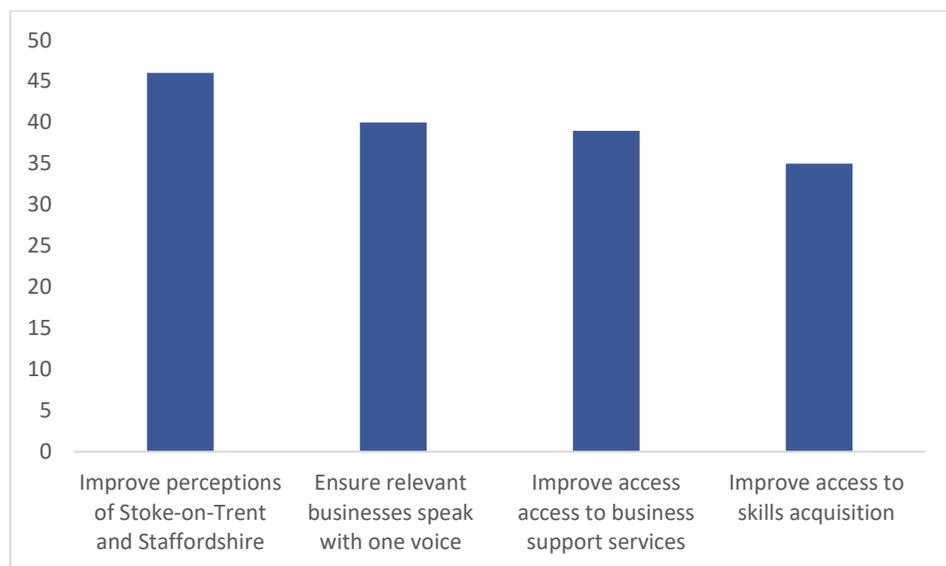
Respondents were asked about the following future focuses for Platform:

- Improve perceptions of Stoke-on-Trent and Staffordshire - building a national and international perception that this is a locality building a cluster in film, TV, animation and games
- Improve access to business support services among relevant businesses in Stoke-on-Trent and Staffordshire
- Improve access to skills acquisition among relevant businesses in Stoke-on-Trent and Staffordshire
- Ensure relevant businesses speak with one voice to the public sector in Stoke-on-Trent and Staffordshire.

Respondents were asked to score these possibilities in terms of their keenness to have Platform focus on them in future. These scores were on a scale from 5 to 1, with 5 indicating something that they are very keen to see Platform focus upon and 1 indicating not keen.

The combined scores are indicated in the figure below.

**Figure 2: Combined Scores on Importance of Issues to Platform's Future**



Source: BOP Consulting survey

Respondents were asked to explain their reasoning for scoring the options as above.

### Improving perceptions of Stoke-on-Trent and Staffordshire

These explanations for their answers continued the stress upon improving perceptions of Stoke-on-Trent and Staffordshire, e.g.

“ Stoke's digital sector needs a total rebrand changing the perspective of Crap Town or Brexit Capital and making it a digital hub. This needs to be a city-wide initiative to

change and ultimately as a city, we need to do a better job at marketing ourselves.

In addition to improving external perceptions, respondents were keen for Platform to build relationships with relevant companies:

“ I'm really encouraged by the way Platform has continued a dialogue with Channel 4. I think this is a massive opportunity for us. I'd like to see similar links established with other broadcasters, such as the BBC or Sky.

Similarly, trade missions were suggested as a focus for Platform:

“ It would be good to see Platform supporting trade missions and visits to key international festivals and markets for film and TV.

## 4. Case studies

### 4.1 Generator

Generator (<https://generator.org.uk/>) was established in 1991 as a business support agency for music businesses and musicians in North East England. It acquired Digital Union<sup>9</sup>, a cluster organisation for creative digital and tech businesses, from Gateshead Council in 2015, and now operates its own talent management service, Tipping Point<sup>10</sup>.

The case study includes notes from an interview with Jim Mawdsley, Chief Executive Officer of Generator since 1998, and Jason Legget, a board member, carried out in March 2019.

#### Objectives

Generator's CEO Jim Mawdsley describes his team as, "creative and digital business strategists" with a twin focus:

- Music development - industry focused, talent development strategies ranging from advice clinics to emerging talent festivals;
- Business development - reflecting the digital disruption of the sector, offering programmes that move away from music as a product to consider the business elements - scale up programmes, supply chain, masterclasses, agile working practices, pricing strategies, and a bootcamp (in partnership with Institute of Coding).

Jim describes the original aim of Generator to:

“ Galvanise the North East music industry and get the businesses in the region to speak to each other.

<sup>9</sup> <https://generator.org.uk/services/digital-union/>

The drive to set up Generator was research from the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University, which showed that the music sector in the North East was not engaged with the national industry. An original management committee, with one part-time person, was scaled up to a programme employing up to four part-time people with funding from the Regional Development Agency, One North East (ONE).

#### Local engagement

Generator, having acquired Digital Union, has great reach and penetration of the North East's creative and tech sectors. It engaged 250 SMEs in its last programme and has worked with over 1,000 SMEs over time. This includes some larger scale engagements: social media events and monthly music masterclasses can have audiences of more than 100 people; a recent mini music festival had 40 acts and 1,500 attendees.

Independent evaluation of Generator's programmes, including those carried out for ERDF, highlight that business support has had the biggest impact on participants. Generator CEO Jim Mawdsley recommends that Platform should:

“ Stick to the single focus – before going into digital and tech, we learnt the basics in music and grew it from demand in other sources.

#### National engagement

A focus on recruiting national industry experts to pass on information - with Jim leveraging his own credibility as a music promoter – helped develop Generator's credibility and backing from stakeholders both regionally and nationally. The CEO would spend two days a month meeting industry representatives in

<sup>10</sup> <https://generator.org.uk/services/tipping-point/>

London to help reinforce the profile of Generator and the North East music sector and build networks. The strategy resulted in the appointment of Tony Wadsworth (former MD of EMI Music) as an industry ‘ambassador’ when he became a visiting professor at Newcastle University.

## Funding

Generator has always tried to ensure that it has a diverse funding base. After its first year of operation, the team realised that it needed to take the initiative and apply for further funding. That resulted in grants from Youth Music, PRS Foundation and Northern Rock, which doubled turnover from £100k to £200k per annum. A 1998 Lottery grant and recognition from Arts Council England, which identified it as providing a role of assisting other music development organisations, followed. Generator is an Arts Council England National Portfolio Organisation (NPO), in receipt of £624,204 in grant funding between 2018 and 2022.

Tipping Point, Generator’s commercial music talent management agency, has done commercial deals with six artists, with an initial £8,000 investment in their development returning revenues of £200,000, including through a ‘sync’ deal with Ford (licensing a track for use in a commercial), which in turn led to 45 million streams and a further €45k sync deal for the same track.

Despite its focus on commercialisation and revenue diversification, Generator’s ‘mixed economy’ model is still dependent on public funding for 80% of its income.

## Diversification

Acquisition of Digital Union in 2015 brought about a change in Generator’s proposition, from a service model working with groups of clients to a membership body with a subscription model. This has allowed Generator to build stronger, deeper relationships over time, with members becoming subject matter experts themselves as well as beneficiaries of those services. Generator’s small core team (<10 people) – has always been augmented by tenders for additional expertise. Contracts for digital and supply chain

development with groups in other sectors, including the North East Automotive Alliance and the North East Process Cluster, have allowed it to expand its range of digital experts.

As well as diversifying its sector focus and revenues, Generator has strong relationships with organisations in other parts of the UK, including Scotland, Liverpool, Norwich and the South West, each of them with different levels and mixtures of funding.

## 4.2 Creative Lancashire

Creative Lancashire was founded in 2005 as a creative industries sector support project for the county. It was hosted within Lancashire County Council’s commercial subsidiary, Lancashire County Developments Ltd, with a £3m package of funding from the Northwest Regional Development Agency, Arts Council England and ERDF, as well as support in kind from Lancaster University and University of Central Lancashire.

The case study draws upon an interview with Ed Mathews-Gentle, Senior Project Officer at Lancashire County Council, conducted in March 2019.

## Objectives

Like Generator, Creative Lancashire has two different ‘elevator pitches’, depending on the audience:

- “A service provided by Lancashire County Council offering sector-specific support to practitioners and businesses, working with stakeholders to create and connect opportunities locally and nationally.”
- “Working with businesses and practitioners to do the business stuff better and engage with other sectors to build supply chain and creative services links (importance of creative skills to other businesses as an enabler); put Cultural and Creative Industries (CCI) on the agenda in terms of investment and opportunities.”

## Local engagement

Creative Lancashire has always had a key objective to increase awareness and elevate creative industries in local plans and with partners around the county. This has been done through building an evidence base - commissioning research – and by offering its services as a partner on other strategic bids, e.g.: the next round of Creative People and Places (CPP), where Creative Lancashire is part of the (Pennine Lancashire-based) Slow Way consortium's extension into Preston. Its input has meant that Creative Lancashire has been involved with every cultural bid of scale in the last few years – including the Cultural Development Fund; Lancashire LEP's investment into a cultural strategy; and Lancashire County Council's investment into Preston's City of Culture bid.

## National engagement

Creative Lancashire has also prioritised partnerships with institutions and organisations on a national level. To address the sense of isolation felt by many creative workers, especially in rural areas, Creative Lancashire became the Crafts Council, partner for the North. It also worked with the Design Council, which had a limited footprint in Lancashire, to make its Designing Demand programme available to businesses in Lancashire. D&AD and Nesta (through its Enterprise Toolkit) are also partners; and national organisations (Arts Council England and Design Council) are represented on the Creative Lancashire board.

## Products and services

Ed identifies networks and partnerships as the most important aspects of engaging the local/regional sector on an ongoing basis. Important for visibility and tangible connections, the community also informs prioritisation of events and services:

- Creative Lancashire consulted with employers in 2012 to understand what would make graduates and local people more employable. This identified a need to identify places (such as exist in larger cities) to find and meet people who do what they do - and create situations in which that could happen. That led to creation of PowWow - no speakers, no presentations, just a recreation of a relaxing atmosphere akin to a Northern Quarter bar (six times a year) – even Creative Lancashire has been surprised at the extent of its impact.
- Runs a programme of high level, world class talks and seminars to attract national groups to Lancashire. This has included:
  - o An alternative programme as part of Preston Guild 2012 - Spiegeltent with talks from Jeanette Winterson, Wayne Hemingway and others.
  - o 'Conversations in Creativity' - Nick Park, Lemn Sissay, Jeanette Winterson, Blueprint magazine, D&AD, RIBA.
- A new website, launched in 2012, stressed use of digital platforms to deliver support, and provided a directory to identify, showcase and promote the sector in the region and allow people to connect to others. This added to the 1,500 businesses that had previously been engaged via a newsletter and live events. The new website provided a way for creative businesses to tell their stories in a more dynamic way and give an online presence to microbusinesses that was not available at the time. The directory function emphasised the importance of supply chains, both within the creative sector and to other sectors.

Like Generator, Creative Lancashire brings in freelancers on a needs basis to provide expert skills and specialist capabilities – for example, in supporting creative businesses to manage social media campaigns.

## 5. Conclusions and Recommendations

### 5.1 Conclusions

Platform can be proud of what it has achieved over its first two years. Platform's UK and overseas events and media coverage have helped raise the profile and professional esteem of the audio-visual sector in Stoke-on-Trent and Staffordshire. The stage is set for Platform to help local businesses secure for the locality a greater slice of the expanding creative industries.

Next steps, however, will not be easy. Businesses within the Platform cluster tend to be relatively small scale. None of the businesses that replied to our survey have a turnover above £500,000.

Therefore, employment expansion within the screen industries of Staffordshire depends upon:

1. More start-ups continuing to emerge in the screen industries of Staffordshire
2. The existing businesses successfully scaling up
3. Or, ideally, some combination of 1 and 2

Achieving this winning combination will be assisted by making the whole more than the sum of its parts – finding ways for local businesses to collaborate, as well as compete.

We recommend that this is done through two channels:

- Seizing opportunities for support of Platform's agenda through broader strategies and trends, and
- Enhancing the capacity of Platform itself to provide the soft infrastructure that will assist local businesses to take the next steps in their growth ambitions.

### 5.2 Opportunities

#### Opportunity 1 - local industrial strategy

Local industrial strategy needs to take account of the potential to grow the audio-visual sector. In common with other non-metropolitan areas, the physical dispersal of the sector, small scale of individual businesses and the project-based nature of production in the sector mean that it is easy to overlook the impact and importance of Platform's member companies. But this is a sector which, at a UK level, has consistently grown faster than the economy as a whole for more than a decade.

In the current round of policymaking, the West Midlands, Greater Manchester and the Oxford-Cambridge Corridor are so-called 'trailblazer' regions that are developing a Local Industrial Strategy (LIS) in partnership with Whitehall. The government intends the whole of the country to have a LIS in place by 2020. By that time, the screen industries should be fully built into the local industrial strategy of Stoke-on-Trent and Staffordshire.

#### Opportunity 2 – the counterfactual opportunity in slowing demand for property

Contraction of legacy industries and lack of demand from other more established sectors in Stoke-on-Trent and Staffordshire creates an opportunity to access workspace and develop new production infrastructure at a lower cost. This could enhance the competitiveness of the indigenous AV sector and attract inward investment, both in the form of new capital investment and mobile projects secured for the region.

#### Opportunity 3 – graduate retention, higher level skills and research

Most of the existing sector businesses in Staffordshire and Stoke-on-Trent are graduates of Staffordshire University – but many more graduates still leave to pursue other opportunities in London, Manchester and Birmingham. Graduate employment and retention are key challenges for most universities. Platform is a means of these institutions achieving more on these fronts.

## 5.3 Recommendations

### Recommendation 1 – a strategy to scale the Staffordshire and Stoke-on-Trent screen cluster and the businesses within it

The lack of absolute and relative scale of the moving image sector in Staffordshire and Stoke-on-Trent limits its growth. University of Staffordshire BSc Film Production Technology degree graduates have a 100% employability record in 2017- but many are leaving for opportunities in larger cities. A smaller cluster offers fewer local employment opportunities. It also limits opportunities for knowledge exchange, reducing the absorptive capacity of businesses for innovation.

- **Platform should be supported by LEP and local authority partners to build on the established pipeline of talent and provide more opportunities for students to stay and find employment and create businesses on graduation**
- **Enhance the capacity of Platform itself to provide the soft infrastructure that will assist local businesses to take the next steps in their growth ambitions.**

### Recommendation 2 – sector leadership and governance

Experience of other LEPs – including Coventry & Warwickshire’s strategic decision to focus on games in Leamington Spa as an ‘attack brand’ for the county’s digital creative sector – highlights the benefits of a clear and consistent approach to building on existing specialisations and strengths both in securing investment and retaining and developing a skilled workforce.

Platform should be given a seat at the table and a voice in economic development and placemaking activity beyond its immediate control to amplify its voice, on behalf of the local moving image sector, within economic and

spatial decision making. We recommend that local partners now offer core funding to:

- **Build Platform’s capacity to act as the sector lead organisation in its engagement with local businesses and national and international partners.**

### Recommendation 3 - focus business support on developing supply chains within creative industries and other sectors

For a sector made up of micro-businesses, largely dependent on commissions from outside the area, awareness of opportunities and the ability to rapidly and easily acquire skilled people for projects are critical. Our survey provides evidence of the importance of seeking to strengthen the local supply chain.<sup>11</sup>

Both Generator and Creative Lancashire demonstrate the importance attached to portals and other resources (including events) that:

- **Promote commissioning and tender opportunities, both within the creative industries and in other sectors, and**
- **Increase the visibility of companies and individuals within the cluster with the capacity and skills to meet them, either individually or working collaboratively.**

### Recommendation 4 – promote Platform’s role in positioning and profile raising of the moving image sector and locality

The experience of Generator and Creative Lancashire shows the importance of building strong links with national and even international industry partners. Our survey respondents stress the value placed by moving image sector businesses upon improving the reputation of Stoke-on-Trent and Staffordshire and the enhanced positioning and profile that this sector brings. Platform has made a strong start on making these links – partners should now grant core funding to allow it to continue to build these relationships, reflecting the potential ability of

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<sup>11</sup> When asked whether the local supply chain could be strengthened, seven out of eight respondents to this question replied, ‘yes’.

the moving image sector to improve perceptions of the locality not only within this sector but much more broadly too.

### **Recommendation 5 – affordable workspace and facilities**

A plan to grow the moving image sector needs to include capacity for the workspace and facilities (production and post-production) that will be needed to accommodate new and growing businesses. Platform's role should be expanded to:

- **Signpost existing hard infrastructure (workspace and production facilities) to indigenous businesses and inward investors**
- **Work with local authority planners and private sector developers to identify and address gaps in provision and prioritise development of affordable workspace in strategic locations**
- **Support inward investment teams in attracting facilities companies.**



