

 Executive 31 May 2018		Agenda Item No. <h1 style="text-align: center;">5</h1>
Title	A creative hub for Channel 4 in Leamington Spa and building on its legacy	
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Wards of the District directly affected	Brunswick, Clarendon, Leam	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		
Contrary to the policy framework:	No	
Contrary to the budgetary framework:	No	
Key Decision?	No	
Included within the Forward Plan? (If yes include reference number)	No	
Equality Impact Assessment Undertaken		
Not applicable at this stage		
Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	18/5/18	Chris Elliott / Bill Hunt
Head of Service	18/5/18	Dave Barber
CMT	18/5/18	Chris Elliott / Bill Hunt / Andrew Jones
Section 151 Officer	18/5/18	Mike Snow
Monitoring Officer	18/5/18	Andrew Jones
Finance	18/5/18	Mike Snow
Portfolio Holder(s)	18/5/18	Noel Butler
Consultation & Community Engagement		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 To update Executive on a bid by Warwick District Council to be the host for a "creative hub" for Channel 4, and to set out the next steps if our request to be shortlisted is successful.

2. **Recommendations**

That Executive:-

- 2.1 Notes the work that been undertaken to date to submit an initial bid for Channel 4 to locate a "creative hub" in Leamington.
- 2.2 Supports the Council's continued efforts to secure Channel 4 locating in the district,
- 2.3 Subject to recommendation 2.2 and Leamington being shortlisted as a location for a creative hub for Channel 4, agrees with the broad programme of work identified in paragraph 3.10 below to enable the Council to be best placed to continue to progress its bid and allocates up to £50,000 to support this work (as set out in paragraph 3.11 below), with the use of this funding delegated to the Deputy Chief Executive (BH) and Head of Finance, in consultation with the Portfolio Holders for Finance and Business.
- 2.4 Agrees that should Leamington not be shortlisted as a location for a creative hub for Channel 4, officers explore how the work undertaken to prepare the bid can be taken forward as an ongoing inward investment and talent recruitment tool and allocates up to £15,000 to support this work (as set out in paragraphs 3.12-13 below), with the use of this funding delegated to the Deputy Chief Executive (BH) and Head of Finance, in consultation with the Portfolio Holders for Finance and Business.
- 2.5 Agrees to allocate £20,000 to the Interactive Futures event scheduled in January 2019 to ensure that momentum is maintained in promoting Leamington as a world-class destination for the creative industries.

3. **Reasons for the Recommendations**

- 3.1 Channel 4 is actively seeking to decentralise many of its activities, and as part of this is seeking to relocate its headquarters out of London and establish two creative hubs, also away from the capital. On 16th April it formally launched its prospectus, "A Call 4 All", and invited bids for a headquarters and for both creative hubs. The timetable for bidding was tight: Channel 4 asked for all written submissions to be made by 11th May.
- 3.2 In seeking a location for a national HQ, Channel 4 is looking for somewhere with a working population of 200,000+, a travel time of not more than 3 hours from London and a high level of physical and digital connectivity/infrastructure. It is anticipated that there will be substantial interest in the HQ from cities across the UK including Birmingham, Coventry and Manchester. Nowhere within Warwick District fits the "working population" criteria to make us eligible to bid for the HQ.
- 3.3 The criteria to be one of the creative hubs are, however, much more closely aligned with what Warwick District could offer. The criteria for this are a working population of 75,000+, a travel time of not more than 4 hours from

London and proximity to a well-developed independent TV/digital production community. The potential “fit” between what Channel 4 may want for their creative hub and what Warwick District Council wishes to deliver through our Creative Quarter in Leamington is a good one.

- Leamington and the immediate local area boasts a vibrant TV, film and video community
- A number of our local digital, marketing and communications agencies have strong links to many global brands
- Channel 4 already has links with the local area through work done for them in local studios / creative agencies.
- We have a wealth of independent creative talent, including as seen through “Silicon Spa”.
- Importantly, we also are at an early stage in developing, with our partner CDP, our ideas for how our “Creative Quarter” may take shape. There is therefore an opportunity for a synergy between Channel 4’s aspirations and our own.

3.4 Accordingly, officers from the Council (Guy Collier, David Butler and Suzee Laxton) worked with wide number of local creative companies to scope and prepare a written submission, which was submitted in accordance with Channel 4’s timetable. The bid was designed by Leamington-based company Craig Spivey Creative.

3.5 Channel 4 has indicated that it intends to notify shortlisted locations on 30th May. This report is being drafted and published ahead of this deadline date, and paragraphs 3.6 – 3.11 are predicated on **Leamington being successful in being shortlisted**. It therefore sets out the selection process from this stage onwards, and recommends what the Council would need to do in order to progress the bid. Paragraphs 3.12 - 13 consider how the Council may wish to make the most of the work that has been done to prepare the bid in the event that Leamington is **not shortlisted**. Paragraph 3.14 – 15 consider an additional piece of work that would proceed irrespective of the success of the Channel 4 bid that would be complementary and supportive of either outcome.

3.6 If Leamington is successfully shortlisted, the timetable going forward is as follows:-

- 11th – 29th June. Channel 4 meets with all shortlisted locations. We will have the opportunity to make a presentation at that time.
- 29th June – 31st August. Period of internal review and dialogue with applicants. We anticipate that that during this time Channel 4 will be requiring much more detailed additional information from the Council.
- 1st October. Successful locations (both for the HQ and creative hub) will be notified.

3.7 At this stage, bidders do not have a clear indication from Channel 4 as to what further information it will be requiring. From the information provided at the launch event, issues that Channel 4 will want to consider are:-

- Economic, demographic, diversity and environmental factors
- Existing availability of talent and future pipeline including educational links
- Local connectivity and broader infrastructure
- Ease and speed of travel of channel 4 employees and partners between hubs
- Effectiveness and efficiency of available office space

- 3.8 The Council's written submission considered each of these matters, and we are likely to be asked to provide further information in support of this. In order to do this, we anticipate that further work will be required in a number of areas.
- 3.9 In taking forward any discussions with Channel 4 there will, by definition, be an overlap with the work that the Council is currently undertaking with Complex Development Projects, (CDP), our development partner for the Creative Quarter initiative. The Council has signed a Collaboration Agreement with CDP and is embarking on what is likely to be a long-term relationship as we seek to identify and bring forward projects within the Creative Quarter. It will be important that we work closely with CDP in any further discussions with Channel 4 and we would anticipate that any further approaches to Channel 4 (including when we meet them in June) will be done jointly with CDP.
- 3.10 Bearing this in mind, we anticipate that the following work streams will need to be put in place as we continue to progress our bid to host a creative hub.

- **Media / social media support**

While the delivery of any campaign support is anticipated to be managed in-house (time-permitting), there may be the requirement for the creation of content/collateral that would require outsourcing. This includes, but is not limited to, new photography, videos, animations, specialist design elements. To illustrate the creativity of Leamington, it is intended to run 'Channel 4 meets Leamington' contest to produce a 'bumper' (i.e. the short animation at the start or end of an advert break). A more targeted PR campaign to engage the local community is also anticipated.

- **Professional and masterplanning support**

The hub offers a number of sites for development and regeneration. Development of these opportunities may require expenditure on certain professional advice and services (for example, planning, architectural fees and highways guidance - recognising that this would be limited during the bidding period). This work would overlap with, and be complementary to, the masterplanning work currently being undertaken by CDP and may need to be undertaken in conjunction with them.

- **Research**

It is anticipated that further, more detailed economic and demographic data will be needed to support the next stage of our bid. This can be provided by the in-house Economists at Warwickshire County Council and would be important in adding greater substance to the bid. Some of this work, and other work to support the bid, would likely be undertaken in conjunction with the LEP.

- **Further design work**

The bid for the creative hub emphasises that it is driven and led by our creative economy and, as such, this is a key work stream to continue. This would include the design and preparation of all key communication to or about Channel 4: workshop facilitation, documents, presentations, employee leisure guide, creative economy case studies and videos.

- **Support for a visit by Channel 4 to Leamington**

- **Contingency**

Given that Channel 4 have not yet realised the specific details of the requirements of the second stage, Officers are also recommending the

inclusion of a contingency to the budget. This would account for any unforeseeable elements without the need to seek further approval, which would be problematic given the limited timescales in which the second stage material would need to be developed.

- 3.11 To support this programme of work, an indicative budget of up to £50,000 is requested. At time of writing this report it is uncertain precisely how this funding will be used. Consequently, it is recommended that the use of this funding is delegated to the Deputy Chief Executive (BH) and Head of Finance, in consultation with the Portfolio Holders for Finance and Business. This will be funded from the Service Transformation Reserve.
- 3.12 In the event that Leamington is not shortlisted, officers consider that there is an opportunity to use the work that has been done in preparing the bid to support our wider engagement with the creative sector and support other inward investment work. This could include developing a website and publicity material to support inward investment and recruitment specifically directed at the creative sector and in supporting Silicon Spa and/or Tech Central as promotional brands. This was one of the key actions identified in the vision & strategy for Leamington town centre that was prepared by the Leamington Town Centre Forum and approved by Executive in March 2018.
- 3.13 To support this programme of work, an indicative budget of up to £15,000 is requested. As this work would also require further scoping, it is recommended that the use of this funding is delegated to the Deputy Chief Executive (BH) and Head of Finance, in consultation with the Portfolio Holders for Finance and Business. This will be funded from the Service Transformation Reserve. It should be made clear that this £15,000 is only requested if Leamington is NOT shortlisted by Channel 4, and not in addition to the £50,000 requested in paragraph 3.11 if Leamington IS shortlisted.
- 3.14 Irrespective of the outcome of the Channel 4 bid, officers consider a complementary piece of work would be the funding of the Interactive Futures event planned for January 2019. Since the event was originally conceived, the scope of the event has increased along with the national profile of Leamington as a key creative cluster (as a consequence of the Channel 4 bid). Again, this would support one of the key actions identified in the vision & strategy for Leamington town centre that was prepared by the Leamington Town Centre Forum and approved by Executive in March 2018.
- 3.15 The additional expenditure would ensure that an event befitting the quality of Leamington's creative economy could be delivered and would provide greater opportunity to attract new businesses into the District (to strengthen the business rates pool and local creative economy), encourage greater talent retention and relocation into the District (to tackle the increasing challenge of the talent pipeline shortage) and increase the level of financial investment in the local up and coming businesses (that would prompt further growth within local businesses).

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report shows the

way forward for implementing a significant part of one of the Council's Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
None.	Regeneration of the Old Town area is a key aim of the Creative Quarter initiative and the involvement of Channel 4 would provide a boost to the Councils' efforts to regenerate the area.	A Channel 4 creative hub would bring an added dimension to the Creative Quarter initiative and support the council's efforts to regenerate the area and create a strong and diverse local creative economy. This will have a direct impact on existing creative businesses in the district and support job creation and income levels.
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		

None	None.	Opportunity for WDC to invest in this project and create long term assets for the Council.
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4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies. Supporting the Channel 4 bid as part of our wider Creative Quarter initiative is part of the “service” and “money” elements of FFF.

4.3 Changes to Existing Policies

None. Supporting the Channel 4 bid would be in accordance with priorities identified in Fit for the Future, and the policies of the Local Plan

4.3 Impact Assessments – An Equalities Impact Assessment would be undertaken as part of any detailed assessment of proposals that may emerge if Channel 4 was to locate a creative hub in Leamington.

5. Budgetary Framework

5.1 Up to £50,000 is being proposed in paragraphs 3.11 and 3.13 and a further £20,000 in paragraphs 3.14-15 to fund the proposal. It is recommended that this is funded from the Service Transformation Reserve.

6. Risks

6.1 There is a risk in undertaking this work that the Council will raise public expectations regarding Channel 4 locating in the district. If we are eventually unsuccessful this will have to be managed. The Council will mitigate this risk in the way in which we undertake any media (and especially social media) activities. If the bid is unsuccessful, the exercise will, nevertheless, have been a way of enhancing the profile of the creative sector in the district and will provide a good springboard for the Council and CDP to present masterplanning proposals later in 2018.

7. Alternative Option(s) considered

7.1 Members could decide not to continue with its support for Channel 4 locating to Leamington. Whilst this would not, of itself, affect the wider support that it is giving to the Creative Quarter initiative, it is considered that Channel 4 could provide a focal point for the Creative Quarter around which other regeneration projects could be brought forward. Channel 4 is therefore seen as positive for the Creative Quarter, as well as the wider local economy. This option is therefore not supported.

7.2 Members could decide to support the bid but not allocate the resources requested in this report. Whilst the Council could continue to progress its bid with no additional resources, it is an officer view that this would limit the Council’s ability to present the “offer” to Channel 4 in the most positive and professional light. Furthermore, not to provide any additional resources would put additional pressure on officer time and impact on existing priorities. This would have impact on other projects to which the Council has committed. This option is therefore not supported.