

CABINET MEETING – 31st January 2024

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

North East Screen Industries Partnership – Inter-Authority Agreement

Author(s):

Executive Director of City Development

Purpose of Report:

This report seeks approval to enter into an Inter-Authority Agreement (“IAA”) relating to the North East Screen Industries Partnership (NESIP) and to provide a financial contribution to support its delivery.

Description of Decision:

Cabinet is recommended to:

- (i) Authorise the Executive Director of City Development, in consultation with the Director of Finance and the Leader and Portfolio Holder for Dynamic City, to approve and enter into an IAA in connection with NESIP in relation to the period 2022/2023 and 2023/2024 on the terms as set out in this report and such other terms as may be approved; and
- (ii) Approve a financial contribution of up to for the period 2022/2023 and 2023/2024 to support NESIP pursuant to the terms of the above agreement.

Is the decision consistent with the Budget/Policy Framework? ***Yes**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

A MoU was signed between the BBC and the North East authorities in September 2021 in relation to NESIP. This 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.

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.

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 Sunderland, 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.

Alternative options to be considered and recommended to be rejected:

The alternative option would be to not enter into the IAA. However, this would be contrary to the strategic objectives and targets of the MoU signed in 2021 (including the delivery of the North East authorities’ commitments under the MoU) and would stifle the growth of the region’s TV and screen industry and skills development.

Impacts analysed:

Equality

Y

Privacy

N/A

Sustainability

Y

Crime and Disorder

N/A

Is the Decision consistent with the Council’s Co-operative Values? **Yes**

Is this a “Key Decision” as defined in the Constitution? **Yes**

Is it included in the 28 day Notice of Decisions? **Yes**

NORTH EAST SCREEN INDUSTRIES PARTNERSHIP– INTER-AUTHORITY AGREEMENT

REPORT OF THE EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

1.0 Purpose of Report

- 1.1 This report seeks approval to enter into an Inter-Authority Agreement (“IAA”) relating to the North East Screen Industries Partnership (NESIP) and to provide a financial contribution to support its delivery.

2.0 Description of Decision

- 2.1 Cabinet is recommended to:

- (i) Authorise the Executive Director of City Development, in consultation with the Director of Finance and the Leader and Portfolio Holder for Dynamic City, to approve and enter into an IAA in connection with NESIP in relation to the period 2022/2023 and 2023/2024 on the terms as set out in this report and such other terms as may be approved; and
- (ii) Approve a financial contribution of up to for the period 2022/2023 and 2023/2024 to support NESIP pursuant to the terms of the above agreement.

3.0 Background

- 3.1 In early 2021, the BBC published a pan-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.
- 3.2 A Memorandum of Understanding (MoU) between the BBC and the North East region as a whole was signed in 2021 at Baltic in Gateshead 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 a region-wide target commitment from the North East authorities to seek to commit £11.4m to support creation of a sustainable screen industries eco-system over the same period of time.
- 3.3 The MoU set out a series of shared ambitions and established the NESIP between the BBC and the North East authorities as a partnership initiative through which a co-ordinated regional Screen Industries Development Programme would be funded and delivered. Signing of the MoU followed a period of engagement with the BBC and partners across the region, co-ordinated by North East Screen which is the North East’s not for profit regional screen agency.

- 3.4 The collective approach to resourcing the development of the screen industries sector that is being progressed across the North East is a reflection of the scale of the investment from the BBC, which is such that no one single part of the region could meet the requirements. It also reflects the expectation that all areas across the region and their businesses and residents will benefit. A range of the delivery activity within the region, and specifically within Sunderland, is set out in section 4.
- 3.5 A collective Business Case was prepared across the region setting out the detail of the workstreams which would be delivered as part of the Development Programme and the way in which this would be governed. Within this context, it was agreed that Tees Valley Combined Authority (“TVCA”) would carry out the accountable body function on behalf of the North East authorities in relation to NESIP. The IAA (which is described in more detail below) has now been developed between the North East authorities on this basis.

4.0 Current Position

- 4.1 Implementation of the MoU with the BBC is being taken forward through the North East Screen Industries Development Programme, for which the TVCA is the accountable body. This Development Programme has been designed to maximise opportunities for significant growth of the screen industries sector across the North East to enable the development of a thriving and sustainable ecosystem. The NESIP Board is in place to oversee progress and provide strategic oversight. The Board has a rotating Chair with representatives from the three Combined Authorities, Higher Education, Further Education, BBC and North East Screen. In addition, an Investment Panel (to determine individual grant applications from eligible businesses from a North East Production Fund of £3.8m over the period of the partnership), Skills Group, Steering Group and Marketing & Communications Working Group have been set up.
- 4.2 Following agreement that TVCA would act as Accountable Body for the North East authorities for NESIP – including commissioning North East Screen (the regional screen agency) to operate as the delivery partner; issuing grant agreements to successful businesses from the Production Fund; and carrying out monitoring and assurance on behalf of the authorities – it was agreed that an IAA would be put in place between the authorities. The proposed IAA is to operate for a five year term up to March 2027 (although as set out below, the funding obligations of the NECA Authorities, including Sunderland will cease with effect from 31st March 2024 and will be required to be assumed by the proposed new North East Mayoral Combined Authority (“NEMCA”) from May 2024 for 2024/25 onwards). It sets out the respective roles, responsibilities and funding commitments of individual local authorities and combined authorities involved in the partnership in relation to the £11.4m public sector funding target commitment under the MoU, and the associated governance arrangements between the authorities.
- 4.3 The proposed IAA will initially be between TVCA, NTCA and the four constituent authorities of the North East Combined Authority (“NECA”), including the Council. However, as set out above, NTCA and the NECA Authorities’ (including the Council) funding obligations under the IAA will cease from 31st March 2024 and

the IAA will be novated to NEMCA who it is expected will assume the funding obligations with effect from 2024/2025. At this point, the Council would then cease to be a party to the agreement and would participate through the agreement via its membership of NEMCA.

- 4.4 Further to the above, North East Screen launched its new brand and the Screen Industries Development Programme in Sunderland at City Hall in June 2022, attracting over 150 industry leaders, followed by a crew event at the Fire Station which was attended by 230 TV and screen freelancers. They opened an office in The Beam at Riverside Sunderland in March 2023. North East Screen have since expanded their team and continue to recruit, ensuring they are resourced to deliver the Development Programme.
- 4.5 Each local authority across the North East now has a 'Film Friendly Contact' in place to coordinate filming requests in their area. North East Screen has set up a Filming Friendly Network, to share best practice regarding production enquiries aiming to develop a consistent approach to working practice across the region. The Council signed a Filming Friendly Charter in December 2022, demonstrating to the sector that Sunderland is open for business and welcomes productions. This was promoted collectively at a national industry conference in London in December 2022.
- 4.6 The number of productions filmed within the region has increased more quickly than was anticipated when the MoU was first signed. A number of shows have been filmed in Sunderland including:
- Series 1 and 2 of 'Charlotte in Sunderland' for BBC 3 produced by Chatterbox Media;
 - BBC's Rickshaw Challenge, Children in Need, BBC Breakfast and Question Time;
 - Vera, series 13 for ITV;
 - Robson Green's Weekend Getaways – with Jill Scott as one of the guests;
 - BBC Comedy Short 'Where it Ends' – resulting from a writers' room event.
- 4.7 In terms of reach, 'Where it Ends', the BBC Comedy Short above, which was shot entirely in Sunderland, premiered at the BBC Comedy Festival 2023 in Cardiff and gained regional and national press coverage. Charlotte in Sunderland is currently the largest unscripted production in the region; it is currently being broadcast on BBC Three and BBC iPlayer. Series 2 follows on from the success of Series 1, which averaged 300,000 viewers, with 40% of this audience being between the ages of 16 and 34, with strong overall iPlayer viewing (62%). The series performed particularly well with viewers in the North of England. It also generated 448k engagements via social media with a combined total of 36m impressions.
- 4.8 North East Screen continues to build its locations database with a wide range of locations from across the region. There are now 61 Sunderland based locations on North East Screen's locations database and 14 of these are new locations. This allows production companies to search images of the region's and city's diverse locations and encourages them to film in the area.

- 4.9 Sunderland-based companies are among those which have benefited from the NESIP Development Programme. These include:
- MCC Media - commissioned by Channel 5 to produce 'Cooking with Gills,' awarded BBC Indie Funding and Commissioner support, awarded a REACH award and taking part in PACT Future North East (a two year growth programme focusing on developing skills and understanding in specific areas such as strategy, market intelligence, business planning, creativity and development, export strategy, investment and maturity);
 - New World Designs - supported with their business development activity, developing innovative new products and applying for Innovate UK funding;
 - Fulwell73 were supported through a Reach Plus grant to assist with recruitment of a local Development Producer
- Support from NE Screen also extends to individuals, with a Sunderland-based Development Producer being supported through Open Horizons to shadow on UKTV's 'The Murders' in London with Tiger Aspect.
- 4.10 The North East Production Fund was formally launched on 12th September 2023 in London with a range of industry representatives present. It is a discretionary grant funding scheme, managed and delivered by North East Screen on behalf of the North East authorities. Open to both local and national companies, the Production Fund aims to catalyse the sustainable growth of the region's film and TV production sector by investing in a portfolio of distinctive, high-quality projects that will collectively contribute to the North East region increasing on-screen visibility and will actively contribute to employment of locally based crew, spend in region and improved equality, diversity and sustainability. Grants offered range from between £50,000 and up to £500,000. Individual funding applications to the Production Fund are determined by the NESIP Investment Panel which comprises a representative from each combined authority plus North East Screen. Sunderland-based MCC Media, received support from the Production Fund to secure their commission with Channel 5's Milkshake, for a children's show called 'Cooking with the Gills' which was recently nominated for a Royal Television Society Award.
- 4.11 North East Screen have actively taken part in a series of events and initiatives across the region since the MoU was first signed. In 2022 in Sunderland, this included participating in the Sunderland Business Festival at which they hosted 'In conversation with Lord Puttnam' at the Fire Station, with over 350 people in attendance as well as in Sunderland Shorts Film Festival where they hosted a Talent Development Talk and Networking event in City Hall. During the recent Sunderland Business Festival 2023 held in October, North East Screen took part in a Future Skills panel highlighting employment opportunities in the region's growing screen industries sector following a key note speech from Leo Pearlman of Fulwell73.
- 4.12 North East Screen have developed several programmes and initiatives to develop skills in the sector. These are delivered at locations across the region with agreement that activity is open to residents from anywhere within the North East unless there are any specific external funding restrictions which apply. In terms of the Sunderland-specific benefits, from September 2022 to June 2023 the following took place:

- NE Screen Bootcamp held at the Stadium of Light on 28th June with 43 people attending, 9 from Sunderland
- 5 North East Screen Crew Academy events took place in partnership with Sunderland University
- 23 Sunderland based crew signed up to the crew database and 2 Sunderland based entry level crew were supported into paid work
- 21 Sunderland-based first time/new entrants to the sector were supported through the skills academy, 3 trainees were placed on productions made in Sunderland and 2 early career crew have had longer term placements in Sunderland Indies
- 170 Sunderland-based new entrants and established professional crew attended advice sessions, networking and careers and spotlight events across the region
- 8 Sunderland-based enterprises attended the following events: 'Get Ready For Business': Meet the Comedy Companies; Writer's Tea Room; Northern Talent Network: Writing For Drama; Creative Cities Convention; PACT Event
- 2 Sunderland-based enterprises took part in pitch opportunities.

- 4.13 In addition, Tiger Aspect brought a writers' room to Sunderland, led by experienced industry producer David Simpson and lead writers Richard Naylor and James Baxter (originally from Sunderland). Working with North East based talent, the connections and development from the writers' room resulted in Tiger Aspect developing the Sunderland-based Short, Where it Ends referred to earlier in the report. The Short, which was premiered at the BBC Comedy Festival in Cardiff, is now available to watch on BBC iPlayer.
- 4.14 It is important that momentum behind the collective approach to growing the region's screen industries is maintained. This includes ongoing commitment of resources through the Production Fund, business development and skills development initiatives to maximise the impact which can be realised. The proposed Inter-Authority Agreement underpins this collective approach.

5.0 Financial Implications

- 5.1 Initial phasing of expenditure associated with the North East Screen Industries Development Programme and Production Fund across the five year period, based on an even split across 12 local authority areas within the North East is as follows:

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
£	£	£	£	£	£	£
13,859	144,594	159,560	211,979	210,008	210,000	950,000

Allocations in relation to each workstream of the Development Programme were set out in the detailed Business Case, which was agreed across the region as a whole, reflecting the activity to be delivered.

- 5.2 Investment across the region has been calculated on a per local authority basis. Financial contributions in the NTCA and TVCA are being met from Combined

Authority resources. Within the NECA, contributions are being sought from each of the four constituent local authorities. As set out earlier in the report the NTCA and the NECA Authorities' funding obligations under the IAA will cease from 31st March 2024 and the IAA is expected to be novated to NEMCA.

- 5.3 An initial in-year contribution during 2021/2022 of £13,859 was agreed by the Council, as part of a total of £55,436 for the NECA area. This reflected the essential requirement for early implementation following signature of the MoU to be able to deliver activity across the North East region as a whole and safeguarded Northern Film and Media. An overall financial contribution of £158,481 (for 2021/2022 and 2022/2023) was subsequently requested from the Council in respect of the NESIP Development Programme to be implemented during the 2022/2023 financial year. This was agreed at the meeting of Cabinet in March 2022.
- 5.4 It was always intended that opportunities to source external funding would be explored both collectively and by individual local authorities as well as North East Screen on an ongoing basis recognising the scale of the contributions required. Following approval of the Sunderland UK Shared Prosperity Fund Investment Plan by Government, and progression of the Supporting Local Business objective, it has been agreed to allocate Sunderland UKSPF resource to NESIP for a period of up to three years (2022/2023, 2023/2024 and 2024/2025 if required, aligned with the UKSPF programme period). This includes funding for the 2022/2023 period initially met from the provision within the Council's capital programme for Economic Development to enable the first full year of delivery.
- 5.5 Given the intention that the IAA will novate to NEMCA for 2024/2025 onwards then on novation the associated Sunderland UKSPF for that period will be reinvested in the city in line with UKSPF objectives and outcomes.

6.0 Reason for Decision

- 6.1 A MoU was signed between the BBC and the North East authorities in September 2021 in relation to NESIP. This 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.
- 6.2 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 Inter-Authority Agreement 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.

- 6.3 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 Sunderland, 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.

7.0 Alternative Options

- 7.1 The alternative option would be to not enter into the Inter-Authority Agreement. However, this would be contrary to the strategic objectives and targets of the MoU signed in 2021 (including the delivery of the North East authorities’ commitments under the MoU) and would stifle the growth of the region’s TV and screen industry and skills development.

8.0 Relevant Considerations

8.1 Financial Implications.

The cost and funding implications for the Council resulting from commitment to the North East Screen Industries Partnership are fully set out in section 5 above.

8.2 Legal Implications

As set out above, the intention is to establish an Inter-Authority Agreement between the North East authorities to facilitate the joint delivery of the authorities’ commitments under the MoU with the BBC and promote the delivery of the major public benefits for the region as referred to in this report.

The Council’s funding obligations under the proposed Agreement will operate for a fixed period from April 2022 up to March 2024. As set out above, at that point, a novation of the agreement from the NECA Authorities and NTCA to NEMCA will be required and it is expected that NEMCA will then assume the balance of the funding obligations to TVCA for 2024/2025 and onwards. This reflects the agreement which is in place through NTCA for the full 5 year period in respect of the contributions on behalf of the three local authority areas within NTCA. The novation of the Agreement to NEMCA will be subject to the legal establishment of NEMCA and it securing the necessary internal approval in line with NEMCA governance and assurance. Nevertheless, the Council’s (and the other NECA Authorities’) funding obligations under the Agreement will cease with effect from 31st March 2024.

Under the proposed Agreement, TVCA will act as the lead authority for North East authorities, subject to the oversight of the NESIP Board which includes representation at Chief Executive level from each of the combined authorities. The NESIP Board will be responsible for key decision making in relation to the partnership. TVCA will enter into contracts on behalf of the partnership, including with North East Screen (as the regional screen agency and delivery partner) and individual grant agreements from the Production Fund as approved by the NESIP Investment Panel.

8.3 Equalities

An Integrated Impact Assessment is being undertaken in connection with the NESIP Delivery Programme. A copy is enclosed in Appendix A. In summary, the findings of the EIA are that there will be no known negative equalities impacts as a result of the proposals.

9.0 Background Papers

Integrated Impact Assessment