

**REQUEST FOR DIRECTOR DECISION – DD1369**

**Title: Indie Camp – TV Business Accelerator**

**Executive Summary:**

The London Enterprise Panel has given its in-principle agreement to funding an accelerator programme for small TV companies. This programme will enable 15 small TV companies to access international markets and achieve £1m in growth within 18 months. As a targeted project it complements but does not duplicate the Mayor's exports programme, as well as Film London's work in promoting London for TV productions.

**Decision:**

That the Executive Director approves the Indie Camp - TV Business Accelerator Programme and the grant funding of up to £50,000 to Lean Content Ltd to deliver it during 2015-16.

**AUTHORISING DIRECTOR**

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.  
It has my approval.

**Name:** Jeff Jacobs

**Position:** Head of Paid Service and executive Director

**Signature:**

**Date:**

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- The UK TV sector is thriving and has continued to grow throughout the UK downturn. The UK is now the largest exporter of TV programmes in the world and TV exports last year accounted for £1.3billion UK revenue.
- However the market is dominated by a handful of large independent companies, 'super-indies', many of which have recently been acquired by US broadcasters. Smaller TV companies in the capital are dependent on domestic broadcasters such as BBC and Channel 4, and struggle to enter international markets.
- If the domestic broadcasters were to announce a production freeze, these businesses would be at risk. It is critical for the continued growth and future success of the capital's TV sector that the GLA helps to stimulate the pipeline of new, up and coming TV production companies by helping them diversify their income streams and enter international markets.

#### **2. Objectives and expected outcomes**

##### **Objectives**

- Indie Camp will be a high-growth accelerator programme whose primary objective is to help 15 TV production companies in London achieve growth.
- A key objective is for growth to be sustainable. The project will target early stage companies (turnover £500,000 - £5m) offering them a business accelerator programme which promotes growth in revenues and exports through specialist workshops, mentoring and showcasing to the key partners in the international market.
- The project will deliver three 2-day 'boot camp' events comprising panel discussions and workshops covering a range of topics: commercial strategy, business planning, financial management, international exports, understanding your development pipeline, what broadcasters are looking for, how this is changing/what the trends are . Each boot camp event will give participating companies the chance to hear from experts, as well as providing networking opportunities with industry and broadcasters. The business and strategy workshops will be delivered in partnership with the London Business School. Other workshops will be delivered by industry experts. Key outputs will be the networking generated, as well as the knowledge gained.
- The project will work closely with each participating company to help each one develop a new, fully worked through business and growth plan. At the end of the project, every company will have a new growth plan that they can put in front of investors, or at the very least take away and implement.
- The cohort will be given the opportunity to present their business plans to private equity investors ('business angels'). It is extremely difficult for TV companies to source private sector investment. The programme offers a unique opportunity for TV companies to pitch to private investors. GLA is not aware of any other accelerator programmes delivering business skills and a targeted growth programme for this sector at this level. Other workshops in this field do not bring together an overarching business plan.

- The cohort will also have the opportunity to meet with international distributors. Since distributors are seeking projects or preferably a slate, this project is more likely to attract high calibre distributors by offering 15 companies to them (rather than a smaller cohort).
- The project will help this cohort of small TV production companies widen their income streams, reduce their dependency on domestic broadcasters and increase their sales and export potential. By doing so the project will help the participating companies achieve sustainable growth.
- The project will draw on the expertise of the Producers Alliance for Cinema and Television (PACT), the trade association representing the commercial interests of UK independent television, film, digital, children's and animation media companies. PACT has a strong track record of delivering business support to this sector and can tap into its existing networks and pool of mentors.
- GLA believes this model could deliver a significant return representing good value for money and justifying the investment. This is a pilot project which aims to test and demonstrate the value of, the accelerator concept establishing a baseline for success.
- The project supports the theme of "Business Support" in the London Enterprise Panel (LEP) Implementation Plan. The objective of this project is to pilot an accelerator model for the capital's small TV companies. In the short term it will grow 15 TV companies, help create jobs and increase overseas sales. At the same time, it will develop an accelerator model for a key sector that could then be rolled out more widely.
- The project will be fully evaluated to provide evidence of its impact, additionality and value for money. The evaluation will offer recommendations to support future scalability as well as identifying any elements where impact has been less.
- Each company will be tracked throughout and after the project to determine the amount of returns to each company as a result of participation. Lean Content Ltd estimates the project to deliver a return of £500,000 across the cohort within the first 6 months as 4-5 companies go into pre-sales. Lean Content Ltd expects the project to deliver £1m in revenue within 18 months of the programme. However, since this is a pilot this remains an estimate. The evaluation process will determine a baseline which can inform any future interventions aimed at this sector.
- The project supports Actions 23-25 in the LEP Implementation Plan by targeting small companies, delivering mentoring and business support. It complements, but does not duplicate, the Mayor's exports programme, supporting Actions 17-19. Additionally, through the Growing Places Fund the LEP have funded Film London to extend its promotional activities to television. GLA Culture Team will ensure that businesses participating in Indie Camp have the opportunity to participate in Film London's programme wherever appropriate to ensure the two projects support one another.
- The project also supports Policy 2.6 of the Mayor's Cultural Strategy: "Ensure that support for London's creative businesses and professionals is relevant and high-quality. This will include targeted provision where appropriate."

#### **Contracted intermediate outputs**

- 15 TV companies signed up to participate.
- 15 mentoring partnerships created.

#### **Contracted outputs**

- Three 2-day 'bootcamps' delivered.

- 15 business and growth plans developed
- One networking opportunity with overseas investors.
- One pitching event with private equity investors ('business angels').
- One evaluation report delivered three month after the delivery of all Indie Camp events.

### **Expected outcomes**

- Return of £500,000 within the first 6 months as 4-5 companies go into pre-sales
- £1m in revenue across the cohort estimated within 18 months as a result of the programme, at least half of this revenue will derive from increased exports and international sales of UK TV programmes.
- This £1m extra turnover is expected to create 10-15 new jobs.
- Reduced instability / fluctuations in Indie revenues.
- Growth in high-quality jobs in the TV sector. The project will stimulate an industry in which the UK excels and help create more home-grown content for both domestic and international audiences.

### **3. Equality comments**

- The Creative Diversity Network is being consulted on an equality policy for the programme. This is a pilot project so will identify the potential for discrimination or adverse impact, or missed opportunities affecting those with protected characteristics and make recommendations on how these can be avoided or addressed in the future.

### **4. Other considerations**

- The project aims to help TV companies achieve sustainable growth by diversifying their income streams, reducing their dependency on domestic broadcasters and increasing their sales and export potential. The total cost of the project is £80,000. Each company will pay £2,000 to participate.
- Fee levels and anticipated market interest are based on the 2012 and 2013 Creative Skillset programme 'CCTV', a business leadership programme for TV Indies, which had similarities to Indie Camp. Both CCTV programmes were oversubscribed and each business paid approximately £2,000 to participate. Lean Content Ltd has based its fee levels for Indie Camp at a similar level and expects participating companies to pay - at a minimum - half of their fee when they sign up to the programme in December 2015.
- The project is expected to deliver a return of £20 for every £1 LEP invests. The project managers have worked closely with PACT to develop the programme and ensure that it meets the needs of the industry. There is high anticipated demand for the programme among London-based TV companies.
- Each company will gain expert knowledge and networking through the boot camps. As an outcome, the project manager will work with each company to develop a business and growth plan. The cohort of 15 companies will then meet business angels i.e. private equity investors and international distributors.
- This is a pilot project which will establish a baseline of success for this kind of accelerator intervention. This is a unique project and the GLA is not aware that anything else of this nature is currently in operation. Lean Content Ltd estimates that half of the revenue will come from international sales and half from domestic.
- Given the size of the group (15 businesses) there is a risk that overseas distributors will not engage with a small cohort. This is being addressed by working closely with PACT who have expertise, track

record and networks. The project is far more likely to attract international distributors if they can meet 15 companies rather than a smaller cohort.

- The project managers will also explore opportunities for joining up with Film London who also work with the television sector.
- The project fits with the Mayor's Economic Strategy and Cultural Strategy by "helping to make London a centre of the world's creative and commercial life, with new investment in science, finance, technology and culture".
- Lean Content originally approached the GLA with the Indie Camp proposal to address identified skills needs within the TV sector. GLA Culture Team worked closely with Lean Content to develop a bid to the London Enterprise Panel.
- The payment schedule will be as follows:
  - 1) August 2015: advance payment - £10,000
  - 2) October 2015: delivery / payment - £10,000
  - 3) November 2015: delivery / payment - £15,000
  - 4) February 2016: delivery / payment - £9,000
  - 5) March 2016: payment on programme completion - £5000
  - 6) June 2016: payment on delivery of 3-month evaluation report - £1,000
- Claims will need to be based on receipts and on the milestones set out in Appendix 1 being met.
- In addition to the GLA grant of £50,000, contributions of £2,000 per participating business will be received by Lean Content Ltd. GLA payments are based on 15 TV companies taking part and part-funding the project. Should participant numbers fall short, GLA reserves the right to reduce its contribution to reflect the lower outputs.

## **5. Financial comments**

- 5.1 Approval is being sought to grant fund up to £50,000 in 2015/16 to Lean Content to deliver Indie Camp - TV Business Accelerator Programme (to be governed by funding agreement).
- 5.2 The revenue cost of up to £50,000 will be funded from the Growing Places Fund (GPF) programme, for which the GLA is the Accountable Body.
- 5.3 The use of GPF programme funds has been approved by the London Enterprise Panel (LEP) at its meeting of 2 June 2015.
- 5.4 Although GPF is expected to be a revolving fund, grant conditions do not preclude its use for grant funding.
- 5.5 The total project cost is expected to be £80,000. The GPF funding of £50,000 will be supplemented by contributions of £2,000 per participating business (i.e. £30,000). Should participant numbers fall short, the GLA reserves the right to reduce its contribution to reflect the lower outputs.
- 5.6 All requisite budget adjustments will be made.
- 5.7 As the proposed funding above is to be governed via funding agreement, officers are reminded to ensure that they liaise with both the Legal and Finance Teams in the preparation and execution of

the funding agreements. In addition, the monitoring of the funding and associated payments must be line with the Authority's Funding Agreement Toolkit.

- 5.7 Officers will be responsible for assessing Lean Content's grant claims against the funding agreement and taking any remedial action should output and costs vary from the agreement. The funding agreements should clearly state milestones to be met in order to claim funding.
- 5.8 Officers should also ensure that the requirements relating to the Authority's Contracts and Funding Code are met.
- 5.9 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 5.10 The Culture Team within the Communities & Intelligence Directorate will be responsible for managing this project and associated funding agreement.

## **6 Legal comments**

- 6.1 Sections 1 to 4 of this report indicate that:
  - 6.1.1 the decisions requested of the director (in accordance with the GLA's Contracts and Funding Code) fall within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of social development and the promotion of the improvement of the environment in Greater London; and
  - 6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:
    - pay due regard to the principle that there should be equality of opportunity for all people (further details on equalities are set out in section 3 above) and to the duty under section 149 of the 2010 Act to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not<sup>1</sup>;
    - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
    - consult with appropriate bodies.
- 6.2 Officers must ensure that appropriate grant documentation is put in place in advance of payment and that Lean Content Limited is required to maintain appropriate records from participants to confirm that they are not in receipt of other public subsidy that would take them outside *de minimis* limited for State aid purposes.

## **7. Planned delivery approach and next steps**

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<sup>1</sup> The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status.

<b>Activity</b>	<b>Timeline</b>
Project start date	September 2015
Project development (content, programme, speakers, events, marketing)	October/November 2015
15 businesses signed up and fees paid	December 2015
Mentoring partnerships created	December 2015
Five workshops delivered	January/February 2016
Networking opportunity with overseas investors and pitch event	February/March 2016
Delivery End Date	March 2016
Lean Content Ltd Evaluation report	June 2016
GLA Culture estimate of 18 month impact	June 2017

### **Appendices and supporting papers:**

Appendix 1: Indie Camp 2015 Project Timeline

Appendix 2: Indie Camp 2015 Indicative Budget Breakdown

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

**Part 1 Deferral:****Is the publication of Part 1 of this approval to be deferred? NO**

If YES, for what reason:

Until what date: (a date is required if deferring)

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form –NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

Adam Cooper has drafted this report in accordance with GLA procedures and confirms that:

✓

**Assistant Director/Head of Service:**

Jeff Jacobs has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

**Financial and Legal advice:**

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature**

**Date**