

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2053

Title: Business case and feasibility for new film studios at Dagenham East

Executive Summary:

This report seeks approval for expenditure of up to £80k revenue funding, to be funded equally from the LEP's Growing Places Fund and by the London Borough of Barking and Dagenham. The funding will support the development of a business case and feasibility work in relation to the establishment of new film studios and associated facilities at Dagenham East. This funding would support a partnership approach to enabling continued growth in the film sector in East London. This is complementary to the vision for a Thames Estuary Production Corridor which, in turn, sits within the context of the City in the East vision launched in 2015.

The GLA will establish a cross-departmental team to oversee the work and ensure it aligns with cross cutting Mayoral and LEP priorities.

Decision:

The Executive Director - Development, Enterprise and Environment approves:

1. the receipt of up to £40k from the London Borough of Barking and Dagenham as a contribution to the costs of the proposed development of a business case and feasibility work in relation to the establishment of new film studios and associated facilities at Dagenham East ("Project"); and
2. expenditure of up to £80k revenue from the Growing Places Fund and the London Borough of Barking and Dagenham on the Project.

AUTHORISING DIRECTOR:

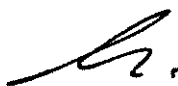
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Fiona Fletcher-Smith

Position: Executive Director - Development, Enterprise and Environment

Signature:



Date:

5/10/16

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The GLA has been developing a vision for a Thames Estuary Production Corridor as a creative business destination, as part of the Mayor's commitment to developing and implementing a Cultural Infrastructure Plan for the capital. The Corridor is within the context of the City in the East vision launched in 2015. As part of this work to develop the narrative for the Corridor, it has become apparent that the area supports a sectoral strength in the film industries due to its proximity to London, the range of spaces and facilities available and the affordability relative to London. In 2012 LB Barking and Dagenham established the Barking and Dagenham Film Unit, which has achieved significant successes in attracting the film industry to the area.
- 1.2 Officers from LB Barking and Dagenham have approached the GLA to seek support in the development of a business case and feasibility for a film studio cluster at Dagenham East. This would both solidify East London as a destination for the film industry, but also further promote the regeneration of a key employment site. A cross-departmental GLA team will be established using existing resources to oversee the project.

2. Objectives and expected outcomes

- 2.1 The business case and feasibility work would explore the following in relation to the establishment of film studios at Dagenham East:
- The optimum combination and size of assets and facilities to provide a commercially attractive proposition for the development of film studios.
 - The demand for film studios and support facilities, including the level of demand that could sustain additional capacity at Dagenham East.
 - The case and potential for public sector funding for future facilities.
 - Consultation with the sector to understand current needs and emerging trends.
 - International comparators and demand analysis.
 - The benefits case – both direct and indirect and at various scales (i.e. local, London and national).
 - A delivery model with recommendations for next steps.

3. Equality comments

- 3.1 The recommendations in this report release funding for a feasibility study for the establishment of a major film studio in East London. This study would include consideration of the benefits case – including benefits to local communities and recommendations for delivery to realise these benefits. This will enable full consideration of the equalities impact of the proposals.

4. Other considerations

Why London's film industry needs more studio infrastructure

- 4.1 The UK is the third largest centre for film production in the world, after New York and Los Angeles. Three quarters of the UK's film sector is based in London. However, film production in London is subject to fierce international competition.
- 4.2 A new studio at Dagenham will be London's first studio in 25 years. It will help plug the gap in infrastructure, and enable London to bid successfully for more inward investment. It will help the UK more widely, as many overseas films coming to Dagenham studios will want to shoot on location in other parts of the country.
- 4.3 Dagenham could be London's largest film studio and significantly enhance capacity in a growing sector. It would create a range of permanent jobs in the East End – from carpenters to sound technicians. By way of comparison, Three Mills studios – a much smaller cluster – is an ecosystem of 15 small businesses comprising 450 jobs. Dagenham studios would be likely to support an even larger cluster of businesses.
- 4.4 A major new studio will help deliver the Mayor's manifesto commitment to produce a Cultural Infrastructure Plan for 2030 to identify what we need in order to sustain London's future as a cultural capital. It will help address a key risk to London's reputation following Brexit i.e. that the capital is now less attractive as a production hub. There is a risk that London will attract fewer co-production/co-financing opportunities after Brexit, while securing technical production crew from mainland Europe may become more difficult. International competition will remain fierce, with cities offering a range of financial incentives.
- 4.5 Nevertheless, there are also opportunities from which a new studio would benefit. Creative industries tax reliefs are competitive and working well. London has a reputation for world class crew and production facilities. The capital is well represented overseas (through Film London) with good networks. Film London has a longstanding filming partnership in the capital to ensure overseas productions are well served when they film here.
- 4.6 Film London is consulting with the capital's film studios, as well as other studios located near London such as Pinewood and Leavesden to ensure that a new studio in East London would not harm the capital's existing studio infrastructure. The feasibility study will address this impact in more detail.

Why Dagenham?

- 4.7 New studio facilities proposed for the next few years in London include a proposal by Knight Dragon on the Greenwich Peninsula. Riverside Studios will reopen in autumn 2017 with three studios and one rehearsal area.
- 4.8 With BBC Television Centre remaining closed, more light entertainment and studio shows are relocating to studios like Elstree. This has only increased demand for more drama studio production space across the capital.
- 4.9 Production levels in the East End have increased this year. Film London attributes this to increased production at Three Mills studios. This 'Three Mills effect' may well be acting as a wider catalyst. Newham, Hackney and Tower Hamlets have seen their second highest location production levels since 2012.
- 4.10 Barking and Dagenham has the highest unemployment rate of any London borough, with almost one in ten (9.8%) working age adults out of work. This is significantly higher than the London average (6.4%). The London Borough of Barking and Dagenham is keen for the studio to replace

the heavy industries of the past (i.e. Ford), given the importance of the creative industries to the capital (1 in 6 jobs in London are creative).

5. Financial comments

- 5.1 The GLA contribution of £40,000 for this consultancy project will be funded by a budget carry forward from 2015-16, specifically from the Growing Places Fund (Revenue allocation) as approved by the Executive Director, Resources and the GLA's Chief of Staff. It should be noted that this budget carry forward is in addition to those approved by the Mayor under cover of MD2010. The GLA contribution of £40,000 will be match funded by the London Borough of Barking & Dagenham providing an additional £40,000, bringing the total estimated gross expenditure on this project to £80,000.
- 5.2 With regards to the establishment of a cross-departmental GLA team to oversee the work there are no additional costs associated with this proposal, as this will be formed via existing GLA staffing resource.
- 5.3 Any changes to this proposal, including budgetary implications will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.

6. Legal Comments

- 6.1 The foregoing sections of this report indicate that:
 - 6.1.1 the decisions requested of the director fall within the statutory powers of the GLA, to do anything which is facilitative of or conducive or incidental to the promotion of economic development and wealth creation 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:
 - (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) 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
 - (c) consult with appropriate bodies.
- 6.2 In taking the decisions requested, the director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the director should have particular regard to section 3 (above) of this report.
- 6.3 Officers must ensure that no reliance is placed upon the funding being provided by the London Borough of Barking and Dagenham until a legally binding commitment to provide the funding is secured.
- 6.4 The services required for the project must be procured in accordance with the GLA's Contracts and Funding Code and in consultation with Transport for London Procurement, who will determine the procurement strategy.

- 6.5 Officers must ensure that appropriate contract documentation be put in place and executed by the successful bidders(s) and the GLA before the commencement of the services.

7. Planned delivery approach and next steps

- 7.1 This project will be led by the Assistant Director of Regeneration, supported by a cross departmental officer team, reflective of the cross cutting outcomes, and including officers from LB Barking and Dagenham and Film London. The indicative delivery timescale is set out below.

Activity	Timeline
Brief development/establishment of governance	October 2016
Procurement of consultant team	November/December
Delivery of commission	Jan – March 2016
Publicise outcomes	April 2016

Appendices and supporting papers:

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:

Debbie Jackson has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Debbie Jackson 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

M. D. Ollie

Date

5.10.16