



“Talent, Audiences, Business”

The Business Plan for EM Media 2008/2011



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1. Executive Summary

1.1 The Agency's Approach

This plan reflects how we are re-shaping the agency. EM Media emerged from its early start-up years a stronger, more confident entity. A more communicative EM Media is actively sharing its experiences and findings, openly engaging with the sector, developing regional talent, identifying new market opportunities and using every endeavour to invest in and support media companies to enable them to make a genuine impact, not only on the region's creatively driven economy but in the international marketplace.

The watch words that encapsulate EM Media's business approach in the coming three years are; 'consolidation' and 'diversification':

- 1.1.1 **Consolidation** of EM Media's current work - simplifying our message; honing our focus; streamlining our programme of work; clarifying our purpose and direction to ensure it's a straight forward process to connect with us and, as a result of a deeper understanding of the international marketplace and investing in good quality market intelligence a more informed investment and returns approach.
- 1.1.2 **Diversification** – measured development of new business ideas; exploitation of our knowledge base; new partnership opportunities; testing and growing new ways of investing in film and media products and product development, broadening the investment portfolio and sources of finance.

EM Media has an SME mindset with tremendous drive and energy. The agency needs to be able to anticipate and be quick to spot and respond to the business opportunities that surround it. There are risks too, working in such a fast moving part of the economy, which, without building a stable platform from which to operate, could adversely affect the agency's progress in achieving its ambitions.

1.2 EM Media's Mission

“Placing media at the heart of the creative economy.”

1.3 Aims

EM Media has three, key, overriding aims that will drive the business in the coming three years. They are:

- 1.3.1 **Talent Development** - Identify, grow and support the cultural, creative and economic ambitions of the region's dynamic talent pool and enhance the region's reputation for innovative practice and distinctive voices.
- 1.3.2 **Audiences and Markets** - Develop the range of markets, audiences and opportunities for consumption of digital product and encourage participation, understanding and engagement with all forms of media product, especially as tools for learning.
- 1.3.3 **Business Practice** - Utilise key business functions and practices (including R&D, feasibility testing, fundraising, market intelligence, communication and business development solutions) to shape and position our business to better inform and support film and media businesses.

1.4 Tools

Through investment and support, service delivery and brokerage EM Media aims to identify, grow and support the region's dynamic talent pool, develop the range and opportunities for consumption of and engagement with media and digital product and grow the cultural and economic infrastructure of the East Midlands.

The key tools that EM Media will use are:

- 1.4.1 **Investment** – drawing on and fundraising from a range of investment sources and leveraging others to ensure a continuous resource is available to film and media businesses to grow their businesses, whether they are product or audience focused, to achieve their greater ambitions and compete nationally and internationally. To promote and encourage aspiration across the sector.
- 1.4.2 **Service delivery** – in terms of direct and indirect provision by pilot testing or delivering a time-bound project or scheme (such as the Graduate Entrepreneurship Programme) to stimulate and develop specific skill sets, aspects of the sector or particular business practices. Additionally, the availability to companies of business development advice and support and input in the form of, for example consultancies, mentoring and networking.
- 1.4.3 **Brokerage** – encouraging connectivity across the media sector, knowledge sharing, the finding of creative and business collaborators and thought-through, exciting, well-managed and forward-looking projects as well as the exploitation of new partnership opportunities that might otherwise not have taken place.

Underpinning these tools is a commitment to seek out new and different voices that we haven't heard before –the untapped resource that is yet to make a distinctive mark on the media sector.

1.5 What we want to achieve by 2011 and what we think the regional media 'map' will look like:

1.5.1 Talent

- A more vibrant, expanded, confident industry sector; with a greater critical mass of companies, increased number of start ups and an increased number of freelance contracts available.
- Investment in at least 25 new feature films since 2001.
- There will have been an unprecedented level of investment in film and media talent and the region's infrastructure, achieving international industry credibility.
- Warp X – the low budget feature project will have ended; producing and distributing internationally six feature films by first time feature talent.
- We will have attracted to the region at least 65 major projects (defined as projects with a budget in excess of £500,000) to generate valuable inward investment.
- Through initiatives such as Digital Shorts in excess of 60 short films will have been produced, with this scheme acting as a key catalyst for progressing talent.
- An increase of 20% in the proportion of Black and Minority Ethnic writers, directors and producers contributing to the creative economy will have been achieved.
- *Made in the East Midlands* is a recognised hallmark of film and media product made and produced in the region.
- 5 new games products will have been made in the region with worldwide distribution and sales.
- At least 4 games developers will be members of TIGA.
- Content producers will be making content for a range of audiences across the region by directly utilising the regional distribution network (DSN, media centres, the rural network and key initiatives).
- Companies recognising the value of developing their IP will be common place.
- Regular collaboration with the Screen Academy or its regional equivalent partnership of FE and HE institutions.
- An increase in the number of film and media SMEs taking on trainees growing the knowledge and skill base.
- Media will be acknowledged as a key learning tool across the curriculum.
- Media training for teachers will be recognised as a key priority by Children and Young Adult Departments across the region and solid partnerships with Creative Partnerships and the consortia delivering the 14-19 diplomas will have been established.
- Partnerships with broadcasters will have developed to attract new commissioning and creative opportunities, including the possibility of the establishment of a returning series from the region.
- There will be an increase in the TV production base, illustrated by the number of new writers receiving commissions and the retention of well qualified technical crew and independents setting up regional offices.
- The international profile of regional talent will have increased through trade fair presence, trade missions and international premieres/launches of film and media products.
- Pact membership in the region will have increased by at least 50%.
- Independent games developers have the business and marketing skills to flourish in the digital distribution age.

1.5.2 *Audiences and Markets*

- More people will be choosing to see specialised film across the region.
- Cinemas in the region consider audience preferences when programming content.
- Bespoke programmes of content are created to cater for audience interests across the East Midlands.
- Audiences across the East Midlands have knowledge, critical understanding and appreciation of film culture.
- The PBQ consortium of three film and media centres will have completed their capital builds and together will have enhanced the national and international reputation of the region's cultural offer, operating robust business models, ensuring sustainability and maximising resources and facilities.
- We will have a fully functioning network of digital cinema screens across the East Midlands; 14 screens on 13 sites, participating in the UKFC Digital Screen Network.
- Audiences in rural locations, many otherwise non-attendees of cinema, collectively engage with film and media in their own communities.
- Short films made in the East Midlands are regularly screened at major festivals, receive awards and achieve sales on a range of platforms.
- Through increased participation, understanding and appreciation of film and media, audiences will have broadened the range of content they choose to consume.
- Through Mediabox a range of media projects will have been completed contributing to a significant development of the region's education infrastructure.
- A network of experienced professionals will actively be developing education activity.
- The Strategy for UK Film Heritage has delivered a step change in the collection management of and access to regional and national film archive material.
- Film and media content is accessed, created and appreciated by young people within and outside formal learning.
- Film education hubs work together to enhance the range and quality of film education opportunities.
- Children and young people are enhancing their creative learning through the use of archive materials.
- A celebration of the UK's screen heritage, combining a public facing festival and industry event, is established in the East Midlands and receives national and international recognition.
- Audiences will be regularly accessing regional film heritage at venues, online, through broadcasters and point of sale.
- The wider regional audio visual archive holdings and user-need is fully understood by MACE and demonstrated by its commercial exploitation of its collection.
- A new permanent storage facility is populated with film heritage and archives collections from across the region.
- Regional content producers will have enhanced revenues through cross platform benefits and unlocking effective routes to market.
- Independent Games Developers take advantage of digital distribution models to have greater influence on routes to market while retaining IP.

1.5.3 Business

- The East Midlands is *the* film friendly region of choice.
- EM Media will be the definitive regional knowledge base and industry/market trend observer.
- We will be operating sustainable business practices, demonstrating business enterprise and opportunity and an understanding and application of business modelling.
- We will have undertaken key industry research and implemented new business tools e.g. an e-commerce website and introduced appropriate subscription charges for key resources such as *The Source*, our locations and crew database.
- EM Media's practical guide to *Filming in the East Midlands* is used by local authorities and Destination Management Partnerships (DMPs) across the region developed through a series of *Film Friendly Workshops*.
- A strong investment portfolio will have achieved returns on loan and equity investments for reinvestment back into the Film, Games, TV and Interactive sector further growing the region's economy.
- A range of online and offline tools such as the audience sampling toolkit, the market research toolkit, 'how to' guides, pod casts and blogs allowing a broader range of practitioners to access EM Media's knowledge and expertise will have been produced.
- Partnerships with key industry and public investors will have been redefined and activated.
- Inward investment through film and TV productions attracted to the region will have increased by 30% creating an annual inward investment value to the region of £15-£20 million.
- The region's media facilities will be developed to further strengthen the infrastructure of the region.
- The East Midlands film and television screen effect (evidenced by the Film Tourism Research project) will have increased by 50% as a result of e.g. high profile tourism campaigns launched in partnership with East Midlands Tourism.
- The industry sector will have been measurably driven forwards by increased levels of ambition, confidence and investment.
- Key partnerships with the region's nine universities will have significantly increased film and media R&D activity in the region and brokered new partnerships with industry.
- The region's games developers will be demonstrating their contributions to the development of the UK Games industry.
- Continued support will be offered to Nottingham's *Game City*. The international festival supporting the games and interactive sectors
- The relationship between the industry sector and national and regional Creative Industries policy will have been clarified and acted upon.
- Strong leadership of the region's Creative Industries agenda will have been articulated and implemented.

2. Background to the Agency

- 2.1 EM Media was created in 2001 to be the Regional Screen Agency (RSA) for the East Midlands. EM Media began trading in April 2002, following the appointments of Ian Squires, EM Media's inaugural Chair; Chief Executive, Ken Hay, a full board complement and an executive senior management team. EM Media was formed from the merger of three existing organisations and a project; East Midlands Screen Commission (EMSC), Midlands Media Training Consortium (MMTC - East Midlands), the film staff from Arts Council England, East Midlands and the East Midlands Media Investment Fund, (EMMI) all of which joined with the newly recruited senior team to form EM Media. From the outset, EM Media sought to promote and demonstrate to a range of regional and national partners and stakeholders that the East Midlands region is the most progressive film and media region in the country.
- 2.2 The early years were spent bedding into the regional and national infrastructure, defining EM Media's offer and developing clear, effective and efficient internal systems and procedures to deliver EM Media's key investment and service functions. At this time the agency was also expanding rapidly to enable EM Media to keep pace with the demands of the client base. As no organisation of its kind preceded EM Media, the agency had to cast its net widely to discover, for example, where it should focus its human and financial resources and identify which services EM Media should deliver directly.
- 2.3 At the same time EM Media was faced with the challenge of raising significant funds to invest in the film and media sector. EM Media's first Chief Executive, Ken Hay was incredibly successful in this. Without success in this single area of activity, EM Media would have had little to offer film and media companies and even less scope to shape or make any meaningful impact on the industry sector. The platform from which EM Media moves forward today with this plan could have been far less solid.
- 2.4 EM Media's first three operating years, April 2002 – March 2005 were its early, growth years. EM Media had many questions about the size, shape, scope, growth potential, priorities and ambitions of the media sector and tasked itself with finding answers, indicators, trends, needs and opportunities.
- 2.5 In April 2005 there was a significant shift in the agency. The Board appointed a new Chief Executive¹ Debbie Williams and EM Media became more externally focussed and began engaging far more with its client base and across the sector. Positive and confident dialogue emerged together with a spirit of openness and trust; a vital platform not only for encouraging experimentation and creativity but anticipating and shaping change.
- 2.6 In December 2005, following a two year notification process the £6m ERDF Investment Fund was cleared for State Aid. In March 2006 EM Media formally launched its new venture capital and loan fund (VCLF). The effect of this fund has been profound, transformative; in terms of the sector's raised levels of ambition and confidence and in terms of international recognition of East Midlands' talent and product faring well in the international marketplace.
- 2.7 In moving forwards EM Media's positioning is rooted in a keen understanding of the external operating environment. The region's offer is therefore pitched appropriately at the national and international marketplace, pursuing the agency's outward facing, expansive agenda rather than a parochial inward facing one.
- 2.8 The Government's renewed support for the development of the creative industries in June 2007 and the much anticipated Creative Economy Strategy (December 2007) will offer a firm platform at regional level on which to refresh dialogue, for example with the Regional Development Agency, emda. And with the new ERDF 2007/2013

¹ Following Ken Hay's departure to Scottish Screen.

programme about to be launched there are real opportunities to extend, deepen and align EM Media's practice with emda's innovation, business simplification and skills agendas, for example.

- 2.9 Following the formation of the East Midlands Creative and Cultural Economy Partnership in July 2007, led by EM Media, for the first time the East Midlands has a single point of contact for the creative industries for external agencies and different industry sectors; immediately addressing the issue of sectoral fragmentation and ensuring the creative industries are simple and straight forward to engage with. A key priority for EMCCEP is to address and strengthen the evidence base of the creative industries, to more effectively identify its actual size and scale and its true economic as well as social and cultural impact.
- 2.10 As one of the nine Regional Screen Agencies (RSAs) and 3 National Screen Agencies EM Media is part of a thriving UK sector network. The strength of this network clearly lies in its diversity, flexibility, differentiation and partnership building. It is clear that greater coherence of sectoral messages needs to be brought to bear and to achieve this aim innovation in processes as well as structures might be required for this network to be well positioned to deliver within the current and future network and distributed solution operating environment.

3. Introduction and Context

- 3.1 As we enter the financial year 2008 – 2009 EM Media is clear about its purpose, reach and remit. In short, it is an agency with attitude. EM Media has an SME mentality and bags of ambition. EM Media has specific geographic² and sectoral³ responsibilities and knows where it should place its energy and human and financial resources, as this plan demonstrates.
- 3.2 We have decided our priorities and how we are going to deliver on them through our action plan. We have also decided the human, financial and physical resources we require to achieve our intended outcomes. We have factored in the tremendous number and range of external operating environmental pressures that, whilst we can't change, we ignore at our peril. The operating environment has enabled us to 'reality check' our plans and thus have confidence in delivering the targets we have set ourselves.
- 3.3 EM Media intends to stay ahead of change; enabling us to shape the growth of the media (Film, Games, TV, Interactive) sector and to reposition EM Media as the definitive regional film and media 'portal'. To do this we have set ourselves the challenge of finding more consistent ways to access, analyse, apply and disseminate film and media market intelligence. We are also challenging ourselves to find and allocate resources to R&D and a steady stream of market intelligence, to enable us to sustain our business. We will also share openly our practice, our findings and our experimentation.
- 3.4 EM Media cannot be successful and work in isolation; the partnership approach is the only approach in our view. Working closely with the UK Film Council, East Midlands Development Agency, (emda) Government Office for the East Midlands (GOEM), East Midlands Tourism (EMT), Culture East Midlands (CEM), Arts Council England, East Midlands, The Lottery Forum, Sub regional Strategic Partnerships, the BFI, First Light, Skillset, PACT, TIGA, the Regional Screen Agencies and a range of other key partners, we have delivered a string of successful investments in a diverse portfolio of film and media businesses, productions, talent and audiences; a key strength as we move forwards. We are supportive of the development of new media centres across the region because of the 'flavour' and focus they can bring to the region's infrastructure and the opportunities for audiences they can create.
- 3.5 The East Midlands is leading the way in digital film production and has a clear opportunity to develop its reputation for games and interactive product development and digital content consumption in the broadest sense. We are keen to explore further what the marketplace will look like in three years time. As technology converges the marketplace will experience nothing short of revolution.
- 3.6 We are keen to shift the focus of our dialogue with companies from how we support what is currently being done to how can we more effectively invest in what companies need to be developing and producing to achieve the greatest impact by 2011. EM Media has developed a unique range of interventions and services tailored to the needs of media companies. "Distinctive", "Digital" and "Diverse" remain the key drivers of our activities today.
- 3.7 We have reviewed the focus and purpose of EM Media's activities in the coming three years. Clarity about the 'end game,' that is, what we want to see as a result of

² The East Midlands, comprises the six counties of Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, Nottinghamshire and Rutland.

³ Film, Games, TV, and interactive.

our intervention has defined the shape of our business and action plans, as we move forwards.

- 3.8 In terms of EM Media's structure we are operating a flatter staffing structure which is more appropriate to our size and scope. Internal lines of communication and reporting have been clarified to enable us to be fast to act, within the strong currents of a fast moving industry and to enable prospective clients and partners to navigate us with greater ease. We are not planning significant expansion or contraction of the staff team; however, to deliver some of the significant projects we have on the stocks, including the new investment fund for example, we may well be engaging fixed-term project staff as required.
- 3.9 Our key marketing tools; our website, newsletters, e-news communications, news alerts and annual review documents offer a vital and comprehensive window on the media world in which we operate and the 'map' of provision and partners with which we engage. These tools also illustrate the fuller story behind this snapshot and highly summarised headlines, actions, achievements and ambitions. They give real examples of real people, real projects and real growth and progression in terms of talent, content, audiences, markets and business practices. They also reflect the uneven growth patterns of the sector EM Media works with, and underline the profound need for leadership and maturity of approach to business advice and services, allowing for a focused, balanced and measured set of interventions rather than knee jerk reactions to cascades of technological or market developments. EM Media therefore will continue to take the long view. We accept that the positioning and deployment of our development and intervention tools (investment, services and brokerage) may not be universally popular but it will be rational and appropriate at all times.
- 3.10 The media sector is maturing and with maturity comes confidence and success. Having secured the £6 million⁴ investment fund and allocated over £4m to East Midlands' based film and media content production, massive change and growth are palpable across the region's film and media sector. We will encourage further growth, aspiration, achievement, enterprise and experimentation, to clearly position the East Midlands as the most progressive and thriving media region in the UK.

⁴ This figure represents £6 million ERDF, matched with a further £6 million from a range of financiers for investment in digital film and media content production linked to clear market opportunity.

4. EM Media's Mission

“Placing media at the heart of the creative economy.”

5. Guiding Principles and Values

5.1 Leadership and Advocacy – leading by example, trust and confidence of the industry, positive promotion of regional talent and market innovations.

Examples:

- Berlin, Cannes, E3, GDC, MIP COM, MIP TV, etc – EM Media's attendance along with regional companies, demonstrating ambition and ability of regional companies to be international players and understand first hand the drivers behind the creative economy.
- Co-ordination of high profile events, for example premieres of co-financed movies and a joint events programme with BAFTA.
- Set up new Media Marketers Forum to lead and create a bigger and more joined up media message from and on behalf of the region.
- Business briefings to be introduced – regular opportunities for discussion and debate about change within and across the industry sector.
- Market intelligence – equipping companies with industry intelligence to assess the market potential for their products and projects.

5.2 Partnership – that more can be achieved through the additional value generated by the sum of the parts than by working in isolation.

Examples:

- Co investing in feature films and key initiatives e.g. Warp X with Film Four, UKFC and Screen Yorkshire unlocking a range of private national and international investors to invest in East Midlands based media products and ideas.
- Participation in the Equal project with Era, South West Screen, Film London and the UK Film Council.
- New partnership with NESTA to address innovation and digital media agenda.
- Continuing and strengthening the partnership with East Midlands Tourism (EMT) following EM Media's award in 2007 for *Outstanding Contribution to Tourism in the East Midlands* (at the Enjoy England Excellence Awards) including; undertaking key film and tourism services (such as familiarisation visits for national target market groups) implementing the recommendations from *Stately Attraction*, Film Tourism report 2007 and delivery of a range of tourism campaigns with the region's Destination Management Partnerships (DMPs) as appropriate.
- Rural access to digital cinema in conjunction with emda, the UKFC's DSN, key local authorities across the region and a range of local communities.
- With UKFC deliver key emerging film talent scheme – Digital Shorts.
- In partnership with TIGA, the region's key universities, emda and SSPs, identify games industry growth opportunities.
- Partnerships with Local Authorities' Children and Young Adults Departments, Creative Partnerships, Creative and Media Diploma Consortia and organisations working with young people to deliver high quality film education provision.
- Screen England – the network of the nine Regional Screen Agencies across England e.g. bidding to run the creative industries KTN as part of a joint venture company.

5.3 *'Distinctive, digital diverse'* voices, practices and experimentation - ensuring that we are always open to and actively seeking out new or unknown voices, places, perspectives and challenges; capitalising on new opportunities and promoting the access and affordability benefits of digital product and experiences.

Examples:

- The distinctiveness of the emerging three cities partnership within the East Midlands.
- The distinctive cultural offer of the Phoenix, Broadway, Quad (PBQ) Consortium; all operating new builds completed in the lifetime of this plan.
- Investment in experimentation such as producing content for new platforms from which we learn and will share the learning.
- Experimentation with content for new platforms – a region at ease with the digital agenda.
- Focused development staff who understand the diverse offer (sectoral and geographic) of the region, working 'on the ground,' approachable and able to seek out and establish clusters of individuals and businesses and initiate new locally focussed film and media business networks.
- Implementation of the equal opportunities and diversity action plan.

5.4 *Openness* - straight forward communication, listening, translating, clear dialogue and reflections on the industry and EM Media's priorities in relation to it.

Examples:

- Positive external communications, e.g. application forms and guidelines carrying positive welcoming language and are regularly reviewed to connect better with potential new applicants.
- Invitations for debate and exchange e.g. new business briefings.
- Clear rationale for change in policy or priorities in new areas of work such as the introduction of contractual relationships with all clients to achieve clarity regarding the purpose of investment and economies of scale, for example.
- Publications scheme, actively putting information in the public domain.
- Sharing market intelligence and industry trend information.
- Clarity about EM Media's direction and focus.

5.5 *Making a difference* – adding value, measuring impact, effectiveness, analysing and assessing growth, encouraging new business modelling, enabling the creative economy to thrive.

Examples:

- First Light – supporting and encouraging first experiences of involvement in making media and identifying career opportunities.
- With First Light, supporting the delivery of an extended *Mediabox*.
- Supporting the development of the region's film and media infrastructure including for example, the 14 screens on 13 sites which comprise the East Midlands complement of the DSN, the University of Lincoln's arts centre and the PBQ Consortium, together creating focal points for the region's creative communities and acting as generators of excellent cultural and digital experiences.
- Writer support enabling writers to develop their craft and to win commissions across a range of platforms.
- Independent games developers - 'measured risk' investment to encourage new games product to reach the international marketplace and improve business practices.
- Skills development - building on the National Skills Award achieved in November 2006 for EM Media's Graduate Entrepreneurship Programme, investing in individuals to enable choice about career paths, next steps and up-skilling.

- Industry research finding and creating accurate industry 'snapshots' to share at e.g. EM Media's new business briefings.
- Industry endorsement and return on EM Media's investments (measurement of risk).
- Quality services such as Location Services attracting key productions and key inward investment to the region through large scale productions such as *The Other Boleyn Girl*, *Jane Eyre*, and *Golden Age* with Derbyshire, Northamptonshire and Lincolnshire particularly active.
- Founding partner of East Midlands Creative and Cultural Economy Partnership, (EMCCEP) to create coherent, regional, creative industries messages and access. Achievement of first single point of contact for the region's creative industries.
- Active contribution to the strength, diversity, flexibility and differentiation within the thriving RSA sector network and potential KTN delivery.
- Measurement – commitment to refining fair, objective and effective monitoring and evaluation tools.

6. EM Media's Corporate Aims

6.1 EM Media has three overriding aims:

6.1.1 **TALENT Development**

Identify, grow and support the cultural, creative and economic ambitions of the region's dynamic talent pool and enhance the region's reputation for innovative practice and distinctive voices.

6.1.2 **AUDIENCES AND MARKETS**

Develop the range of markets, audiences and opportunities for consumption of digital product and to encourage participation, understanding and engagement with all forms of media product, especially as tools for learning.

6.1.3 **BUSINESS Practice**

Utilise key business functions and practices (including R&D, feasibility testing, fundraising, market intelligence, communication and business development solutions) to shape and position our business to better inform and support film and media businesses.

6.2 EM Media's Values, Aims and Key Drivers



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6.3 Talent Development

- 6.3.1 This plan sets out to redefine more inclusively, the breadth of the region's talent and skill base. Talent, in the broadest sense, includes film makers and writers, digital content creators, and highly skilled technicians all of whose livelihoods rely on the currency of their skill base and creative ideas. Also included within EM Media's definition of talent are for example, experienced film and media technicians, the talent that 'curates' audience opportunities and experiences (within city and rural environments) media business entrepreneurs and the talent that leads and develops the region's flagship media centres.
- 6.3.2 By investing in talent, the lifeblood of the film and media industry, EM Media will also address market and audience opportunity, connection and relevance. Through investments in for example, Digital Shorts, feature films (with skills attachments), computer game development and in interactive business solutions, EM Media's experience to date has proved that there is an incredible wealth and breadth of talent in the region. EM Media can and should play a key role in helping talent to identify appropriate distribution platforms, audiences or markets.
- 6.3.3 In EM Media's experience of six full operating years⁵, by far the most effective and efficient way of addressing the needs of emerging talent is through specific project and scheme interventions where economy of scale can be more readily achieved alongside the delivery of a quality experience. This method has proved less effective with more experienced talent where a greater number and range of bespoke solutions are required. To date EM Media has invested substantially in emerging talent⁶ with notable if not comprehensive levels of investment in talent with 'industry credibility' or endorsement⁷.
- 6.3.4 During the period that this plan covers, the shift in emphasis and resource to address talent that is at neither end of the spectrum but bottlenecking in the 'middle ground' continues. EM Media will invest in initiatives to develop creative, technical and business skills thereby encouraging this talent to build the necessary confidence to experiment, progress and find market opportunities for high quality, innovative products driven by creative vision and technical skill.
- 6.3.5 It is talent that occupies the 'middle ground' that is likely to begin experimenting with the range of platforms that technological convergence and market divergence brings. Identifying and exploiting market niches early will give companies in the East Midlands competitive advantage. EM Media's role will be to encourage business ideas, experimentation with new platforms and innovation in practice. Innovation may be in the approach to developing new products, technological advances or in match between product and audience. Wherever it lies, connecting film and media innovation and talent with new market opportunities remains a key priority. In relation to the games industry, interventions might include exploring the concept and shape of a 'games institution,' to provide an industry endorsed test bed for innovation and ideas, opportunities for graduates to discover in practical ways the needs of the industry, to provide incubator/support for new companies and to assess the technological a cultural benefits of products and their relationship with the marketplace.
- EM Media is also well placed to lead in the formation of a regional trade body to promote game development (and supporting businesses) within the East Midlands.

⁵ EM Media was established in August 2001 and began trading in April 2002. The six full operating years referenced are 2002/2003 – 2007/2008

⁶ In 2007 - 2008 invested in excess of £200,000 in emerging talent.

⁷ In 2007 -2008 EM Media approved applications worth over £1.1 million in feature films, games TV and interactive development and production projects.

This would allow regional developers to effectively communicate their needs to local, regional and national bodies.

- 6.3.6 Since 2007 EM Media has introduced film and media product to market incentives, (via the investment fund) involving working with commissioners to develop specific programmes for identified audiences. We will fully exploit the market and access opportunities that initiatives such as DSN and the rural digital cinema programme offer by tying in development of short form work or other screen products to exhibition networks across the region. “Grass roots” networks connected to the exhibitors will be key in making this connection vibrant and possible – they are the communities (either geographic or drawn together by shared interests) that will drive ongoing relationships with content exhibitors and provide the initial lifeblood of the three major moving image centres in the region. We will also be investing in events bringing writers, producers and financiers together with sales agents and these networks to ensure talent in the region is aware of the shifts in the marketplace and is ready to respond.
- 6.3.7 Talent development within the context of the national and international marketplace will take the form of a programme supporting a collective trade and festival presence as well as placements in partnership with industry. These knowledge exchanges will support the talent’s sense of context, awareness of the market place and instinctive feel for placing products. International co-productions will become an accessible target and provide additional sustainability to companies previously used to looking inward for support and markets.
- 6.3.8 Distribution and exhibition in terms of talent is often forgotten, sitting as it does at the ‘far end’ of the ‘sectoral spectrum’. However, those who are creatively and business-mindedly driving key media businesses are as much a part of the region’s talent base as is the film maker. Media centres and cinemas are close to audience and consumer behaviour (in terms of the sectoral continuum) and are clearly an important source and aspect of market intelligence. The Film Audience Development Services have begun to provide cinema going intelligence and will support regional exhibitors in programming a wider range of films. Additionally, in partnership with the New Technology Initiative (NTI) network and through interaction with Universities for research purposes and key research providers, we will be better informed about audience trends and changing behaviours and gain a better understanding and awareness of the opportunities a more open marketplace offers digital content producers. This intelligence will feed more directly into EM Media’s investment decisions.
- 6.3.9 EM Media’s education strategy straddles talent and audiences in encouraging media to be regarded as a valid career option from school age through a key literacy strategy and practical projects. The Derbyshire Creative Enterprise Project, delivered in eight schools in 2006 clearly demonstrated the value of media as a learning tool across the curriculum. EM Media is working with Derbyshire Children and Young Adults Department to further embed the activity into the Children and Young Adults Department’s new Learning Plan to achieve greater reach and with three other Children and Young Adults Departments on a similar plan. EM Media will build on the success of the project to enhance the offer to enable similar projects within the Creative and Media Diploma and Extended Schools initiatives. EM Media welcomes the national focus on media literacy that the Media Literacy Charter and work on the emerging UK Film Education Strategy has brought. Media literacy has formed a key plank of our approach, in partnership with Creative Partnerships, Children and Young Adults Departments, the “Gifted and Talented” programme and the development of the awareness of First Light across the region. In the last year, additionally these programmes have been enhanced by the £300,000 of *Mediabox* investment (First Light’s Youth Media Fund).

- 6.3.10 The period of this plan will see the impact of these initiatives take shape, and investment in continued support for the new talent engaged by these initiatives – whether through better qualified trainers and teachers or through work with agencies specialising in supporting young people such as Threshold Studios.
- 6.3.11 The growth in digital distribution over the next 3 years will provide independent games developers with new opportunities through advertising revenue, micro-transactions and external investment, for example. These companies will require strong business management, with studio heads more than ever needing to understand how to attract and manage investments and gain new skills in distribution and marketing. It is likely that there will be a shift to more flexible business practices with contractors hired on a per project basis. EM Media will use its experience and understanding of film industry employment patterns to assist the games development community in this transition.

6.4 *Audiences and Markets*

- 6.4.1 This is the part of the sector which is more likely to experience revolution rather than incremental change in the coming three-year period and where the opportunity to produce content for a range of niche markets across a growing number of platforms is on the immediate horizon. Over the coming three-year period we envisage that the marketplace as we currently know it will be transformed; with a range of competing platforms vying for new content, content creators, market niches and consumers.
- 6.4.2 The marketplace for media product will become more competitive and aggressive in capturing consumers requiring all content creators to be absolutely clear about their intended market in order to sustain and grow their businesses.
- 6.4.3 It will be harder to get a fix on the market as it becomes almost a 'white noise' of consumer choice and a mass of highly discrete channels to highly focused markets. However, there are clear opportunities for East Midlands' media companies, content creators and product developers in particular, to achieve success.
- 6.4.4 A key priority for EM Media will be to understand the market opportunities and help companies in the East Midlands take best advantage of the new range of distribution methods and niche markets. What will be key is a focus on and articulation of the relevance of competing platforms to audiences rather than the technical merits of competing platforms. We foresee a need to support consumers and potential consumers in navigating the platform options and make informed choices amid the plethora of platform opportunities.
- 6.4.5 Clarity regarding the intended market for a product will become paramount in the new multiplatform era. Identifying and understanding the intended consumers of products will inform EM Media's investment decisions to a far greater degree.
- 6.4.6 The period this plan covers offers exciting change and opportunity for audiences and markets with the implementation of a network of digital cinema screens at sites across the East Midlands. Fourteen screens are participating in the UK Film Council's Digital Screen Network (DSN). Additional digital cinema screens are expected in the region through the three media capital developments; Broadway (completed) Phoenix and Quad and a number of commercial digital cinema installations in this timeframe. EM Media will look to broker partnerships with cinemas as they move to become entertainment centres.
- 6.4.7 Following a competitive tendering process, the Consortium of Phoenix, Broadway and Quad (PBQ) was selected as the provider of the Film Audience Development Services for the period April 2007 – March 2009. The services have been clearly scoped and offer unprecedented reach and partnership-working whilst achieving appropriate economies of scale and gathering evidence of public value.
- 6.4.8 EM Media has consistently offered advice, support and investment during the capital developments of the Broadway Media Centre in Nottingham, QUAD in Derby and the Digital Media Centre in Leicester, particularly in relation to business modelling. These three centres are well placed to lead the way in the future development, production, delivery and consumption of film and media content.
- 6.4.9 Audiences in rural locations will have regular access to film and media content through non-theatrical rural cinema with 34,000 annual admissions to over 500 screenings of film and media content. The investments already made in rural cinema in the East Midlands has identified a clear demand from audiences and led to ambitious plans for delivery across the region.

- 6.4.10 EM Media will work in partnership with national agencies to support the implementation regionally of the UK Film Council's Digital Screen Network, the UK Film Education Strategy and the Strategy for UK Screen Heritage.
- 6.4.11 EM Media is supporting First Light in the delivery of the range of successful *Mediabox* projects. Sustainable benefit to East Midlands' based providers is anticipated, as they engage with a greater number of young people and EM Media facilitates networking opportunities to encourage partnerships which may lead to new projects being developed.
- 6.4.12 The public's appetite for film archive continues to grow. EM Media will support access to the regional film archive through its investment in MACE to, for example, continue its Midland Journey screenings in cinemas across the East and West Midlands and develop its website to include easily navigated clips. The value of film archive in the school curriculum is being demonstrated: EM Media has already supported a pilot project between MACE and Creative Partnerships which developed resources and models of practice that are now expected to be adopted by more schools across the region. EM Media is also working with MACE on other opportunities such as the commercial exploitation of its collection. In parallel with the access work, MACE continues the collection management that underpin all its activities and its role in implementing the audio visual archive strategy for the East and West Midlands.
- 6.4.13 This is an exciting time for Screen Heritage. By considering what has been achieved in the East Midlands to date it is clear that the Strategy for UK Screen Heritage and the associated additional resource for the national and regional archives, is extremely timely. We are at the point where a relatively small increase in resource has the potential to make a positive impact of a disproportionate scale.
- 6.4.14 The momentum is building for an annual event to celebrate the UK's Screen Heritage and to give a national and international platform for the outstanding Film Archive and Heritage projects delivered across the whole country. This will be a combined public facing festival and industry event and will be hosted in the East Midlands, building on the extensive experience of the British Silent Cinema Festival.
- 6.4.15 Digital distribution will also have a significant impact on independent games developers. Digital distribution is a means for a developer to bring a product to market directly without a publisher and so gain the maximum benefit from the product and from any external investment used to develop it and allow for IP to be retained in the region. There are a host of digital distribution suppliers appearing (Steam, Windows Live Arcade, Xbox Live, PSN, etc). This will continue to grow with new players entering the market.

6.5 Business

6.5.1 EM Media's purpose is to add value - to talent, to audiences and to the region's economy using our key intervention methods of:

- Investment
- Services and
- Brokerage

6.5.2 In adding value we will act as a translator, an intermediary, an agitator, a dynamic investor and we will share vital market intelligence with companies that they cannot access elsewhere.

6.5.3 EM Media will regularly evaluate its own practice to ensure we are measuring our performance against the objectives we set ourselves but also against customer expectation and demand, allowing for informed judgment and intervention.

6.5.4 In developing our business practices, we will focus on the following key business functions.

6.5.4.1 **R&D**

EM Media will commission key research to inform ourselves and regional companies about the industry sector and the marketplace we operate in. Understanding how consumers are 'behaving' and the choices they are making for example, can inform companies regarding content creation opportunities. Also, understanding the impact of film tourism can open up new partnership opportunities regionally and nationally and enable us to better market to more targeted audiences, the benefits of film in inward investment terms.

6.5.4.2 **Feasibility testing**

Utilising this key business function EM Media will invest in content creation (for identified markets) at an early stage in their development. For example, EM Media will invest in content development and new routes to markets/consumers, utilising digital technologies for a new range of platforms and exploiting the new range of highly niche markets.

6.5.4.3 **Market Intelligence**

Moving forwards, EM Media needs a more comprehensive picture of the marketplace to be able to share with East Midlands based companies a more informed view of market opportunities. In collecting, digesting and disseminating such information with companies we will address a key market intelligence gap. Such awareness will also greatly inform all of EM Media's investment decisions.

6.5.4.4 **Financial resource development**

Finding and securing new financial resources will be crucial to EM Media and the regional media industry's success in the future. The future application and availability of EU Structural Funds is still to be articulated as we await bidding to the 2007/2013 ERDF Programme to open. Less money will be available via European sources.

The total ERDF available for this period is £181m. However it is not yet possible to gauge the size or significance of the reduction or

indeed the opportunities of a fully region wide focus for distributing this resource.

There is no doubt that current levels of public finance available to the sector will diminish and EM Media will need to apply its creativity and flexibility to extracting the most value out of its knowledge and expertise to unearth untried routes to so far untapped sources of finance. This will include investing shrewdly to generate returning funds but also testing different business models including the establishment of charitable and trading arms, for example.

The mixed portfolio of investments that EM Media is making includes repayable loans and returns on equity investments ensuring a source of income from investments for use in future years. So far EM Media's investments have yielded returning funds amounting to £150,000; which is a positive sign of how EM Media financed product is faring in the international marketplace.

Partnership investment, spreading risk and resource will remain a key approach. New partnership opportunities will be sought including for example an innovation investment partnership with NESTA, currently at an early discussion stage.

Whilst the creative industries are not a priority sector in the region's current Regional Economic Strategy (RES), new approaches to demonstrating delivery on the region's economic agenda are currently in development. With key Government backing and the December 2007 DCMS/BERR Creative Economy Strategy, there is a clear basis for engagement with emda regarding the development of the creative industries.

Vital, strong leadership of the region's creative industries delivered through the formation of EMCCEP has never been more vital. Moving forwards the positioning of the creative industries in relation to regional economic policy, the skills, innovation and business simplification agendas; in particular by strengthening the evidence base and cohering sectoral messages, will be key to their sustainability and development.

6.5.4.5

Inward investment

EM Media's Locations Service plays an active role in attracting film and TV productions to the region. It ensures that regional talent, locations and facilities are fully utilised and offers vital support to EM Media co-financed productions. In fact a route in to accessing EM Media feature film investment is often via the Locations Service.

Location Services will continue to meet EM Media's corporate aims and objectives by positioning the East Midlands as the most progressive and thriving media region in the UK. Location Services will work to increase inward investment through proactive promotion of the region, focussing on large scale features and building on the excellent relationships with high profile and international production companies.

Its contribution to growing the critical mass of film and media companies in the region will increase through securing the establishment of 3 companies per year setting up in the region and

the creation of employment opportunities on film productions for the regions crew base including ongoing support for trainees.

In 2007-2008 Derbyshire and Nottinghamshire led the way in attracting new film and TV productions to the region, with Lincolnshire and Northamptonshire also fairing well. In the coming three year period EM Media intends to increase by 30% the volume of production activity taking place in the region. This represents a significant contribution to inward investment into the region's economy; through an annual spend of £15 - £20 million as well as creating jobs, providing opportunities for talent and enhancing the region's profile and identity. EM Media's contribution to the region's inward investment figures was recognised in October 2007 at the Enjoy England Excellence Awards Ceremony where EM Media was awarded the 'Outstanding Contribution to Tourism in the East Midlands' award. This was in recognition by East Midlands Tourism (EMT) of the work undertaken by EM Media in attracting productions to the region such as *The Other Boleyn Girl*, *Pride and Prejudice*, and *Control*, and of the benefits these feature films bring not only in terms of direct spend by the production companies, or the work opportunities for highly skilled crew but also the longer term effect of visitor numbers.

The Locations database will be re-launched in 2008 offering an enhanced, modernised service for Location Managers and Production Personnel. Online registration for crew and locations will ensure a faster and more efficient service for the end user. 10,000 location images will be available to download. This figure will be doubled by 2011. Crew will receive SMS messages alerting them to opportunities, a crew network will be established and members will pay an annual subscription fee in order to receive alerts and be registered on the site. Projects can be tracked, monitored more effectively enabling accurate reporting of shoot dates, spend and measurement and evaluation of performance.

Job creation and the support for the region's crew base will continue with an average of 30 local crew employed on each production co-financed by EM Media.

Location Services will continue to work with EM Media's communications team to promote the release of productions filmed in 2007/08, to instigate regional premieres of regional films and to raise the levels of expectation and ambition across the sector.

7. Business Health Check and Sensitivity Analysis

In this section EM Media demonstrates where it has decided its key resources and energy are best deployed in the coming three years. In an era of consolidation, we will not attempt to 'do it all' but what we do we will do with quality, with attention to detail, with flair, with imagination and with impact.

7.1 Business functions

These are:

- Communications and marketing and building on our reputation.
- Human resource analysis.
- Financial resource analysis.

7.2 *Communications and Marketing*

- 7.2.1 EM Media is uniquely positioned as ‘an investor with attitude’ rather than an institution, with a very real and grounded SME mindset. EM Media has to be ‘in it’ to understand the operating environment and then to help shape the film and media sector accordingly; which is a clear aspiration. EM Media is in touch, with a metaphorical finger firmly on the industry pulse. It will remain central to and part of the media infrastructure of the East Midlands. A place it wishes to continue to occupy.
- 7.2.2 EM Media has successfully refreshed its image and presentation and begun to build on its reputation, thus developing confidence in the ‘brand’. The logo has been refreshed with a new brighter more vibrant colour scheme representing the agency’s confidence in its role, its visibility and position in the region’s creative economy and desire to be regarded as a distinctive media voice regionally, nationally and internationally.
- 7.2.3 EM Media has begun more proactively to celebrate regional success stories and actively engage in direct exchange with stakeholders and clients. EM Media will demonstrate its openness to debate, our desire to share our thinking and our visibility by introducing regular opportunities to meet the staff team. We will continue, for example, to host business briefings, discussing the latest industry trends, hosting key regional film premieres e.g. in partnership with BAFTA, which have proved very successful, setting up workshops focusing on the future shape of the games industry and organising road shows to explain how to get into the industry. We also remain committed to our partnership with Lottery Distributors in the region – participating in shared activities such as regional funding fairs.
- 7.2.4 We are repositioning EM Media as a regional knowledge gateway and creating and taking opportunities to demonstrate the high quality work taking place in the region by providing more key facts, testimonies, personal experiences and case studies.
- 7.2.5 EM Media will publish its events and communications plan to ensure that all newsworthy stories are captured and reflected in key publications throughout the year. Positive relationships with regional and national press will continue ensuring full and accurate coverage of EM Media’s investments and the regional talents’ successes. We will also work in partnership with the UKFC and RSA communications teams to ensure that joint messages and good news stories receive the national coverage they deserve and to demonstrate more effectively the impact that thriving regional film and media activity is having nationally.

7.3 *Human Resources (HR)*

- 7.3.1 EM Media has an excellent, highly skilled staff team. All team members bring to their respective roles and the agency as a whole a range of industry perspectives and an incredibly broad range of skills and talents. In order for EM Media to be able to actively encourage staff members to utilise all of their skills it is vital to construct a staffing structure that is dynamic and which ‘breathes’. A static, immovable structure does not sit well culturally. The structure and the team of people must be allowed to grow and evolve along with the film and media sector, to enable individuals and the agency to remain fit for purpose, relevant to and supportive of the industry as it evolves.
- 7.3.2 EM Media is operating in an environment that is so fast moving stasis is unlikely to be an effective strategy. EM Media must move with the environment. Therefore, whilst maintaining concern for clarity of operation and management, we are operating a structure that facilitates project management across teams and areas of work. Our staffing model or ‘flow’ enables decision making, reporting structures and accountability to remain clear whilst reflecting the ‘flow’ of work across the agency.
- 7.3.3 In recognition of the need to develop management skills to be on a par with the responsibilities (financial and human) aligned with a project driven structure, EM Media expanded its senior management team. A complement to this model are the investment flowcharts contained within EM Media’s Investment Policy and Lottery Handbook, which have been amended to reflect decision-making structural changes, and contain an example of the timeline of the investment or service process that clients can expect from EM Media.
- 7.3.4 For the period 2008 – 2011, subject to projected finances and work commitments, EM Media envisages retaining the staffing complement. Should there be drastic change in the financial resource or contracted work currently projected, EM Media may well need to respond by either expanding or contracting the size of the staff team. There are key projects such as the ERDF investment fund that EM Media is committed to delivering. A project of this size will require additional project staff to be contracted for a fixed term to complete the project successfully.
- 7.3.5 EM Media’s staff teams are not constructed on a sectoral or silo basis. EM Media has furthered its integrated approach to the development of the film and media sector by ensuring each team contains complementary skills and experience to bring a range of perspectives, ideas and creativity of approach to the development of EM Media and to film and media businesses as a whole. This approach is innovative amongst EM Media’s peer group and working extremely well in practice.

7.4 Financial Planning and Analysis

7.4.1 Income:

- 7.4.1.1 To date EM Media's income strategy has been to raise resources to deliver a range of media business services to enable media companies to develop their business practices, size and turnover and where possible help companies find ways of getting new products to market. EM Media's early partnership with emda in growing the digital media sector was and remains crucial on a strategic as well as delivery level. The Dot.net project for example, has been extended to August 2008; following a steady rise in the outputs achieved in the previous year. By the project end date EM Media will have achieved the outputs set against the project's original objectives.
- 7.4.1.2 EM Media's financial position remains relatively stable. At the start of 2006, a tranche of smaller business support projects came to an end. However at the same time, the region-wide ERDF investment fund and investment readiness programme came into operation, ensuring continuity of a higher level of income, sustained cash flow, increased levels of activity and an increased volume and range of financial transactions. As we enter 2008/2009 EM Media's knowledge and skill base in delivering an effective investment fund have clearly developed to the extent that plans are already afoot for a revised, successor investment fund.
- 7.4.1.3 Of the current investment fund over £4.5m of the £6m ERDF has already been committed. Additionally so far the fund has unleashed an incredible £30m (minimum) in match investment to date which has gone directly into growing the region's film, games TV and interactive sector, with film, out and a way the regions 'DNA' taking and contributing the lion's share to the region's economy. The ERDF investment fund will close, as planned on 31st December 2008, within the timescale of this plan. EM Media has clearly been focused on maximising this time-limited resource. EM Media's active returns policy is delivering results; almost £150,000 has been returned to the legacy account from loan and equity investments. The policy will ensure a level of resource is available to companies into the future. This policy is particularly key given the 50% reduction in ERDF 2007/2013 new programme available to the East Midlands. This may well impact on that which is available to EM Media, however, should the investment fund deliver well, then it stands the agency in good stead for the future. Current, essential business support activities which relate to product and market development have been consolidated within the ERDF fund enabling continuity and growth in provision.
- 7.4.1.4 Following the successful completion of the contract to deliver the Derbyshire Schools Project in 2006, EM Media won a contract to deliver CPD training for teachers in the Bolsover Ashfield and Mansfield area of the region. EM Media will continue to bid to deliver contracts for services. Not only do they offer EM Media the opportunity to 'lead by example,' or add value, but also, they offer a useful source of income. The supply and nature of such service contracts perhaps make them more realistic and viable sources of income than perhaps, the hope of unlocking new resources e.g. from cash strapped local authorities. That said, EM Media intends to play an active part in Local Area Agreement (LAA) and Multi Area Agreement (MAA) discussions that will gain in prominence in the period of this plan and offer a focus for local authority expenditure.
- 7.4.1.5 Securing the investment fund was a key achievement in the financial year 2006 – 2007. Having been able to demonstrate the financial and non-financial impact the fund has made and EM Media's own credibility as a financier has increased, we are in a strong position to pursue longer term income generation partnerships across the public/private sector divide. EM Media will proactively pursue new investment

partnership opportunities to benefit the film, games, TV and interactive sector. Whilst awaiting further information on the application process for the new European funds, we will maximise current resources and develop existing partnerships at the same time as seeking new ones. For example, EM Media will be undertaking a greater number of projects in partnership with Screen West Midlands, building on the solid accord developed in relation to Media Archive for Central England (MACE) and will seek new, related, investment partnerships such as with East Midlands Tourism, building on EM Media's *Outstanding Contribution to Tourism in the East Midlands* award at the Enjoy England Excellence Awards 2007.

- 7.4.1.6 At regional and national level, EM Media will be undertaking active lobbying to unlock further resources for this fast moving, high growth part of the economy. We are keen to engage further with emda not only in relation to the new ERDF programme but also in terms of its innovation, skills, business support and sector development initiatives. Collectively the Regional Screen Agencies (RSAs) offer national Government (in particular DCMS, DBERR, DCSF, DIUS and DCLG) a direct delivery network in relation to cultural, creative, social and economic impacts; a USP yet to be fully exploited. It is vital that the network of RSAs fully exploits these opportunities under an appropriately formed Screen England banner.
- 7.4.1.7 EM Media is keen to ensure our business model remains fit for purpose; in terms of how we are constituted in relation to the nature of our business. Options such as assessing the business benefits of creating a distinct charitable arm e.g. for work with educational purposes and a commercial arm, potentially offering consultancy services at full market rate, to exploit fully and create best value from our asset base, will remain under consideration. EM Media may also look at charging for specific services.
- 7.4.1.8 By 2010 we will have a good indication of the effectiveness of the investments made from the ERDF investment fund in cultural and commercial terms and indeed of the returns policy itself. We intend to have built a sectoral evergreen fund. Particular highlights to date include: *This Is England, Control and Geon Emotions*.
- 7.4.1.9 There are new opportunities on the horizon in the form of the Olympics. The regional cultural programmers are in post and an exciting array of projects are in the pipeline. Nationally EM Media will be keenly participating in the Film and Video Nation Project.
- 7.4.1.10 The Comprehensive Spending Review (October 2007) offered a relatively static prognosis for the coming period. From 2001/2 – 2007/8, a period of six years, like all RSAs,⁸ EM Media has been required to bid for a standstill level of investment from the UK Film Council for film and film related work. In real terms this has amounted to a sizeable cut in real terms for that same period. This is a particularly difficult reality for EM Media given how strong an element film and film related work is in relation to the region's DNA and our delivery. EM Media is keen to encourage the UK Film Council to invest in success following six consecutive years of standstill film and film related investment, set in stark contrast against EM Media's increasing film portfolio and the international successes achieved.
- 7.4.1.11 EM Media will take the opportunity to present a clear, focussed message to industry regarding its investment and service delivery priorities. Effective partnerships will be essential to EM Media's operation. Leveraging additional resource and efforts to make resources go further to create better value, will be redoubled.

⁸ With the exception of Screen South that received an increased level of investment of £200,000 from 2007/2008.

7.4.2 Expenditure:

- 7.4.2.1 In April 2007 EM Media contracted with the Phoenix Broadway QUAD (PBQ) Consortium for a two year period to deliver specified film audience development services. This 'modernisation' of EM Media's work in relation to audience development has enabled EM Media to achieve a consistency of approach across EM Media's entire client and work portfolio, with the 'exhibition sector,' the last into which contracts for services have been introduced. EM Media's aim was to ensure that the true value of EM Media's investment be established and that expectations were aligned appropriately. Moving forwards both EM Media and clients alike can have confidence in the clarity of the value and coverage of procured services.
- 7.4.2.2 There are clear opportunities to create new partnerships with real regional reach and real economies of scale to avoid uneconomic duplication of effort and activity. Contracts for service, for example, ensure appropriate and clearly identified intervention levels to achieve effective activity, agreed goals and impact.
- 7.4.2.3 The outcome of the Comprehensive Spending Review (2007) was an above inflation increase to DCMS. EM Media has been advised by the UK Film Council to plan for the coming three-year period 2008/2011 at current financing levels. EM Media acknowledges that Lottery and Treasury resources, to date, have been essential in leveraging highly valuable, additional ERDF and ESF resources which EM Media has actively secured to make available to film and media companies in the region. The key issue with standstill finance is that in not keeping up with inflation there is an impact on the levels of finance a static sum can leverage and that these sources of additional finance also diminish in real terms.,
- 7.4.2.4 Improved market intelligence will ensure that EM Media's investments will be made in the full knowledge and context of greater market awareness which will improve the prospect of returns on investments.
- 7.4.2.5 Key partnerships yet to be exploited are e.g. with UKTI to develop the export potential of the region's companies and to facilitate their 'export readiness'. We are keen to use our business development skills and investments wisely to ensure companies are sufficiently skilled to take best advantage of investment and realise their potential.
- 7.4.2.6 The area of work most at risk amongst our portfolio is investment in skills development and training in that currently we lack strategic financial and investment partners within and beyond the region. We are hopeful that we can open up more positive discussions with the LSC and Skillset to this end, to continue to invest in the region's highly skilled workforce whose livelihoods depend on the currency of their skills.
- 7.4.2.7 In the period 2008-2011 financially, film and media companies in the East Midlands stand to gain an enormous amount in terms of investment opportunities and access to key business services to encourage their businesses to grow and thrive. In turn this will impact very directly on the development of the creative economy of the East Midlands.
- 7.4.2.8 In terms of finance, we are entering a transitional phase where energy will be focused on seeking out new financial partners and sources of finance including taking responsibility for generating greater levels of revenue.
- 7.4.2.9 The creative industries do not feature heavily in the current Regional Economic Strategy. However the Creative Economy Strategy (December 2008) will offer a key steer to RDAs and opportunity for investment to be made available for

developing the creative industries may result. What is clear is that the leadership of and evidence base for the region's creative industries must be strengthened to make a cogent and compelling business case. The formation of EMCCEP referred to earlier in this plan is a key mechanism for achieving coherence and evidence of the economic as well as cultural and social impacts the creative industries achieve.

7.4.2.10 EM Media is delighted to be working in partnership with Cultivate, Culture East Midlands, Arts Council England, East Midlands and Museums Libraries and Archives as part of the pilot project; *Designing for Transition Programme*, which is a programme to encourage arts and cultural organisations look at the opportunities and advantages that using different financial instruments, such as loans, equity and quasi equity, can bring to business sustainability.