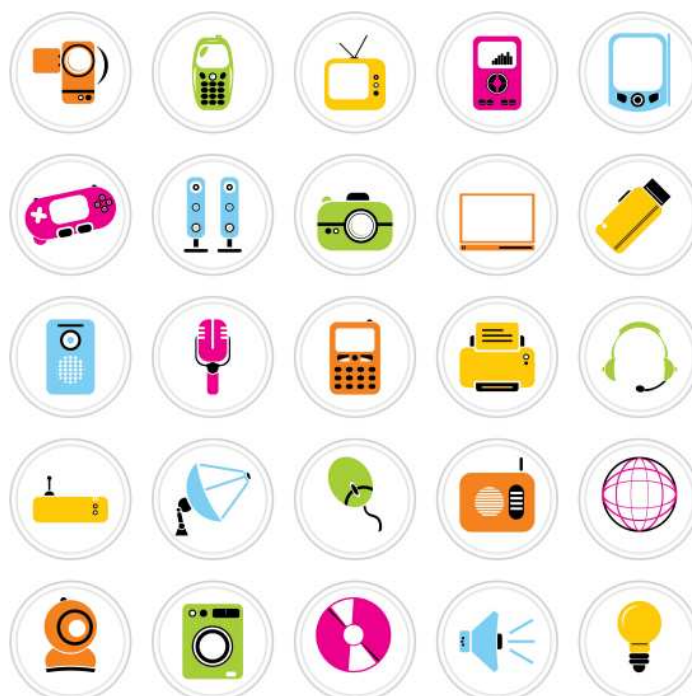


Screen, Image & Sound Strategic Cluster Plan 2008-2011



The Business Cluster at Advantage West Midlands for Digital Media

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1. Executive Summary

Digital Creative Industries are a growing and dynamic part of the regional economy. Nationally the Creative and Cultural sectors account for 7.3% of the total UK economy, comparable in size to the financial services sector¹. The Screen, Image & Sound Cluster focuses on digital media, the high growth part of the Creative Industries. The sector *punches above its weight* in terms of 'place and profile' as applications of digital media run through everybody's lives, from leisure & lifestyle to business & communication. The region has:

- A national and international profile in Serious Games
- 20% of the UK Games production market
- Birmingham as 'one of the world's top five music hotspots' [Billboard magazine]
- A growing Interactive Media sector with high profile blue-chip clients
- An expanding talent base in film and television production
- Employment growth in digital media at nearly double the average

Recent Cluster achievements reflect our strengths in gaming, serious games, film and music:

- Co-funded the £7m *Serious Games Institute* in Coventry's Techno Centre
- Launched the international profile *Serious Virtual Worlds Conference*
- Established a regional £4m *Film and Digital Media Fund*
- Set-up The Digital Event, which will spotlight Birmingham and region from 2008
- Funded a regional *Digital Media Strategy*
- Invested £6m in business space in Custard Factory, Eastside, Birmingham
- Supported many events, e.g. *Plus Festival*, *Gigbeth* and *Rhubarb Rhubarb*.
- Commissioned the *Eastside Digital Media Centre* feasibility Study

During the 2008-11 business cycle the Cluster will target three high growth markets:

1. Digital Content for Entertainment, with a focus on Film, Television, Games, Audio & Music. This includes:
 - Raising the sector's profile nationally and internationally
 - Creating new types of content and new forms of entertainment
 - Developing new business models & new approaches to content distribution
2. Digital Lifestyle, focusing on digital media innovation. This includes:
 - Exploiting digital content to enable citizens to contribute, participate and enjoy sustainable, inclusive and enriched lives.
 - Enabling innovative and future focussed education from 5 years old and onwards.
 - Encouraging a healthy lifestyle by combining digital content and assistive living technologies, e.g., combining health diagnostics with PDAs [personal digital assistants] able to entertain and educate whilst they monitor your well being and alert issues to family members or health professionals.
3. Digital Business Futures, focussing on digital media to improve a range of business activities. This includes:
 - Delivering innovative training through games based and other elearning digital formats

- Developing 3D Virtual environments for scenario and business planning
- Promoting virtual conferences
- Enabling business growth through innovative Web 2.0 developments

Alongside the growth and huge potential for innovation, the cluster must deal with the volatility inherent in some sectors. Television for example, is challenged with the feast and famine of uncertain commissioning, creating the need to scale companies up and down rapidly. Digital Media SMEs report the challenge of funding pilot projects or accessing business consultancy suitable for their growing needs.

To develop our target markets and address industry needs, such as those identified above, the cluster has drawn up five strategic priorities:

- Effectively influence growing the Digital Media sector through Place, Profile and Alignment of Business Support & Skills Plans. This will include, for example, lobbying for creating centres of excellence and bringing public service digital media commissioning to the region
- Encourage Innovation and the development of New and Global markets together with increasing market share in existing markets
- Support business growth and skills development to create world-class creative enterprises in the region
- Improve Information Signposting, Knowledge Networks and supply chains.
- Improve regional data and sector intelligence to inform decision making

These objectives will be achieved through three primary Programmes of Activities:

- **Screen Media**, addresses the above strategies and target markets for film, television, games and interactive media.
- **Audio & Music**, addresses them for audio content, including radio and music.
- **Business Futures**, which focuses primarily on the digital business futures markets of games and other 'e' based learning, virtual worlds, scenario & business planning and implementation of Web 2.0 techniques.

The Cluster will collaborate with a range of partners and delivery vehicles to realise its plans; these will include other clusters (such as Tourism and Leisure, ICT and Medical Technologies), the Innovation Technology Council, Regeneration Zones and High-Technology Corridors.

The Screen, Image & Sound Cluster expects success for the overall plans to show that:

- The profile of the West Midlands will have grown nationally and internationally
- Entertainment & Business Events in the region will have been strengthened
- Businesses and target markets will have grown
- At least some of the planned infrastructure projects for the region will have received a go-ahead
- Business support and skills will have been re-aligned to better serve the sector
- Cross sector digital media solutions will have started delivering
- Industry feedback will confirm that support & information delivery are more effective.

Summary Budget in £1000s <small>[see page 14 and appendix A on page 15]</small>	08/09	09/10	10/11	Total
Single Pot Cluster Budget	717	677	637	2,031
Indicative European ERDF Funds	455	460	460	1,375
Indicative Total	£1,172	£1,137	£1,097	£3,406

The ERDF funds are indicative, subject to programme activities being 'qualifying'.

NB: In addition to the budget above, digital media benefits from funding streams from The Innovation Technology Council and support from within Regeneration Zones and High Technology Corridors.

Digital and Creative Industries is a vital part of the overall cultural economy of the region. This plan will play its part in both developing the Digital Media Industries and realising a better Birmingham and Region for everyone.

2. Market Analysis

The Creative Industries accounted for 4.3% of all goods and services exported from the UK in 2004, totalling £13Billion¹. OECD data shows that a greater share of the UK's GDP is made up of creative industry sales than any other country in the world, including the USA.

The video games industry has now over-taken the film industry and rivals the music sector in sales. In 2004 the global market was worth \$25.4 billion, predicated to rise by a further 16% by 2009¹. The UK is the third largest market for computer games, after the USA and Japan, the UK games market was worth £1.35 billion in 2005. The games market is expected to grow strongly, partly due to demographics; as gamers are becoming older on average and many women are now joining the ranks of gamers.

The e-learning market will be worth £52.6 billion worldwide by 2010². Serious Games or games based learning, is a small but fast growing subset of this market. There are also emerging innovations around lifelong learning and content personalisation.

The interactive media sector is difficult to measure, but the consumer and commercial market is known to be growing strongly. Interactive advertising spend in the UK was £1.4 billion in 2005. New market opportunities are expected from this sub-sector. BBC, Channel 4 and others broadcasters will increasingly commission non-television digital media content, both programme spin-offs and on-line content in its own right.

The UK film industry added an estimated £4.3 billion to the economy in 2006, a 39% increase in two years¹. The UK is a major international centre for film production and post-production and had total exports of £967m in 2005. The DVD market is growing strongly too. Our talent is highly regarded around the world. The increasing digitisation of the industry is creating opportunities by lowering the barriers of entry for production and digital distribution. Filming in the Birmingham area grew by 40% from 2004 to 2005, bringing £15.6m into the local economy.

The independent TV sector is showing strong growth with revenues in 2005/6 of £1.9 billion. New rules since 2003 on production companies retaining rights, has allowed strong profits across the sector. UK exports of television programmes grew by 20% between 2005 to 2006; up to £593 million¹. The BBC is likely to play a unique role in the broadcast TV market in stimulating growth in independent production, as its quotas for independently commissioned work rise from 25% to 50%. In addition there are emerging markets for niche television programming distributed via broadband and/or online channels.

Radio is a durable sector; it reached 45 million people in the first quarter of 2006. It is dominated by the BBC and a few major commercial operators such as GCap, Emap and Chrysalis. Technological advances in DAB radio and the lower barriers to entry for webcasting do however present opportunities for the future. As with television, there are an increasing number of online niche radio channels generated by sole traders, SMEs and community organisations.

The UK is the third largest market for recorded music in the world. We are second only to the USA in terms of creating music and are the fourth-largest music publisher in the world. Falling retail sales of recorded music are being replaced by a boom in live music, both through festival attendance and gigs. Digital technologies are changing the face of both music production and distribution, presenting opportunities for the industry to exploit new market niches and funding models in the future.

Animation, digital imaging & photography are smaller sectors which are none-the-less important sub-sectors within the digital media industries.

The West Midlands has an above average market share in the film, games, serious games and music sectors. It has an average share in radio, television, animation and digital imaging. All the industries above have much growth potential within the region.

3. Target Markets

The Screen, Image & Sound Cluster has identified three key markets:

1. Digital Content for Entertainment

Focusing on film, television, games, audio & music

The Cluster focus will be on the higher growth areas of film, television, games, audio & music. These include:

- Supporting the creation and exploitation of compelling digital content from regional companies, e.g., developing local talent in film making or exploiting the innovative use of digital content within The Royal Shakespeare Company or the City of Birmingham Symphony Orchestra.
- Developing new forms of content, e.g., pervasive mobile learning with Digital Birmingham alongside local museums & art galleries.
- Developing new business models, e.g. live advertising in console games, adding learning content to iPods and exploiting advances in mobile phones.
- Developing events that raise the region's profile nationally and internationally, e.g., The Digital Event [Autumn 2008].
- Developing new approaches to content distribution, e.g., new ways of aggregating video, audio or gaming content and downloading it to different devices.

2. Digital Lifestyle

Focusing on digital media innovation

This includes the exploitation of digital content to change and improve the way we live. There are a broad range of emerging sub-markets here, such as:

- Developments in Web 2.0 and 3D Virtual World technologies that change how people network together and interact with public services e.g. how they receive communications from government.

- Innovative use of wireless services, e.g., using Birmingham's wireless 'cloud' to deliver ground-breaking business and recreational visitor services.
- Developments in education which feel 'fun' in nature, e.g., recognising new types of games console entertainment, such as 'exercising the brain' games and pushing 'life long learning' to a much wider demographic.
- Developments in the use of devices that combine lifestyle and assistive living, e.g., using games consoles for entertainment which also carry out health monitoring on their users and communicate relevant data to carers.

3. Digital Business Futures

Focusing on digital media innovation in communications, training, conferences, simulation, business development & planning.

This includes the exploitation of digital content to improve the results of a range of business activities:

- Delivering innovative training courses, especially those exploiting games based learning, e.g., creating 3D training environments of hospitals or war zones to train health workers or military personnel.
- Developing the market for 3D virtual environments, business simulators, diagnostic tools and scenario planning across a range of business sectors. e.g., disaster planning, smart buildings, factory redesign and supporting business expansion into overseas markets.
- Creating leading edge business communication materials, e.g., combining the latest Web 2.0 techniques, video-on-demand and social networking into a range of business, community and supply chain environments.
- Exploiting the 'low carbon agenda' by developing the virtual conference market and helping companies expand sales by taking account of environmental awareness.

Support for these three markets aims to grow West Midlands based companies, by exploiting emerging windows of opportunity *AND* increasing the national and international profile of the region..

4. Achievements

The Cluster is proud of its achievements in the creative and digital media sector. During the last three year business cycle, from April 2005, we have:

- Created 132 jobs
- Saved 115 jobs
- Created or attracted into the region 54 businesses
- Assisted 705 other creative businesses
- Up-skilled 151 people

Recent achievements include:

- Co-funding the £7m Serious Games Institute at Coventry University. This, Centre of excellence is applying research to the developing *Virtual World* and *Games Based Learning* market. It also provides incubation and business space, including *virtual* business space.
- The Serious Virtual Worlds Conference, successfully launched in Sept 07, with global delegates declaring Coventry and the West Midlands '*the new silicon valley*' for these emerging markets.
- Launching the £4m Feature Film & Digital Media Production Fund in August 2007. This has brought the Film4 comedy feature *Faintheart* to the Midlands; the 1st *user-generated* feature film, with part of the cast being auditioned through MySpace. A further 11 films are likely to be part-funded by it.
- Setting up The Digital Event, featuring the latest ideas and content from the worlds of film, games and interactive media. Led by Birmingham City Council this will bring national and international profile to the region from 2008.
- Funding the *Digital Media Strategy* for the region. This will form a blue-print to make Birmingham and its region 'The heart of digital media in the UK'. Delivery of this strategy will be through a multi-agency partnership.
- In autumn 2007 we announced that BBC Innovation Labs will be running in the region during 2008. This initiative gives the opportunity for a number of regional interactive companies to work up their best ideas with the BBC, giving at least one of them a full commission from BBC-Online.
- Creating and funding *Digital Central*, run by Birmingham City University. Since 2005 this has provided business support and development projects which have built up regional networks in digital media, animation, television and music. It has also promoted a range of mentoring and support programmes.
- Supporting a £6m investment in the Custard Factory, that is developing new business start-up and grow-on space in Birmingham.
- Birmingham and the wider region are becoming respected globally for their music talent and events. These include Gigbeth, Supersonic, V and The Big Chill. In design the *Plus Festival* has attracted much interest from London. In photography, Birmingham continues to host *Rhubarb, Rhubarb*, an internationally respected photography marketplace event and exhibition.
- Commissioning the *Eastside Digital Media Centre Feasibility Study*. Far reaching recommendations have now been published for infrastructure build and work-live space developments for the area. The cluster will lobby for adoption of the plans.

5. SWOT

The following analysis of Strengths, Weaknesses, Opportunities and Threats across the sub-sectors covered by the Cluster has been divided into two charts; SWOT Summary and Cross-Cutting Themes.

Both have been compiled by cross-referencing study data (such as that from the Screen, Image & Sound Impact Study, July 07), with industry feedback (through a series of Task & Finish Groups convened during the summer of 2007).

The conclusions that we can draw from the SWOT analysis and the cross-cutting themes on the next page are:

- We can capitalise on our regional **strengths** by investing in growing businesses with new ideas and by building the profile of the region as a vibrant place *'to do digital media and creative business'*. We will encourage inward investment and outward exploitation.
- We can address **weaknesses** through skills development, especially in entrepreneurship, improved information signposting and better alignment of support services, such as business link, skills and access to finance. We will support better business networking and improve sector data for decision-makers.
- We can seize the **opportunities** created by digitisation, personalisation, emerging technologies and new business models. Innovation and exploiting new markets will be crucial. We will also lobby for new digital media infrastructure in the region.
- We can minimise the **threats** by looking at ways to grow a less volatile sales environment for our digital and creative businesses. We will look at new business models and more flexible renting mechanisms for businesses, such as for television companies, who face huge variances in staffing and facilities requirements from one project to the next.

SWOT for Screen, Image & Sound

Aggregated summary from film, television, animation, interactive media, games, serious games, audio, music, digital imaging & photography.

<p>Strengths</p> <ul style="list-style-type: none"> • Many talented and enthusiastic small and micro businesses in the sector. • A nationally recognised games sector and globally recognised serious games cluster. A centre of excellence in the Serious Games Institute, with International Conference recognition for the Virtual Worlds Conference. • A number of Successful independent TV production companies. • An internationally recognised music sector for its diversity and vibrancy • Growing strengths as a regional feature film production centre. • A strong university sector making significant investment in innovation and applied research for the sector. • High numbers of creative and digital media students in the region, many of them with entrepreneurial drive and ambition. • Strong sector support from public sector organisations and industry to grow Birmingham and the region as a magnet for creative industry business and leisure events. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Mainly freelance and micro-companies rather than larger creative companies. • SME's lag behind on the necessary investment to develop skills. • Business owners in the creative sector often lack the leadership and entrepreneurial skills to develop their businesses to the next level. • Lack of clear 'gateway' or web portal to signpost what help is available to each sub-sector. • Many of the sub-sectors lack trade associations, network or forums. • Businesses often find winning new sales and retaining customers a long-term challenge. They often need marketing help themselves. • Businesses often do not have access to the right finance to achieve their goals – be it organic growth or rapid Venture Capital [VC] backed growth. • Regional performance of Birmingham as measured by GVA [gross value added] is lower than Manchester, this is a comparable city with a significant creative industry focus.
<p>Opportunities</p> <ul style="list-style-type: none"> • Successful innovation presents real opportunities to sell into new markets and make new collaborations and partnerships. • Clear business and agency willingness to build sub-networks where they do not exist at present. • Development of Eastside in Birmingham as a national and international hub for music, youth and digital media and imaging. • Development of a groundbreaking digital strategy for Birmingham and the region, giving new citizen services and creating an opportunity to win Public Service commissioning in digital media for the region. • Increasing opportunities through new digital business models to offer clearer routes to home and export markets. • The demand for personalisation of both consumer and business content opens up both new markets and new content aggregation models. • The population of Birmingham is already the most ethnically diverse outside of London, creating unique opportunities for the region. 	<p>Threats</p> <ul style="list-style-type: none"> • Market instability often stops creative businesses planning for the future. • Rapidly changing technologies and markets means that businesses have to adapt very fast to grow or survive in the sector. • Fierce competition from other regions and overseas. • Migration of talent to London and beyond causes talent shortages in the region. • Generic SME issues of too much red tape, difficulties of financing growth and development, finding new work and upskilling for the future. • Copying/downloading content is now pervasive and common-place. It is creating price pressures and increasingly complex copyright issues which cannot be enforced by law. • Globalisation brings with it intensifying competition from around the world forcing companies to innovate faster or find ways to cut their own costs. • The demands of Personalisation cause consumers and businesses to demand more targeted information and content for less and less money.

Cross Cutting Themes - Summary for film, television, games, serious games, interactive media, digital imaging and photography

Technology	Investment
<p>Technological advancement is creating threats and opportunities for all sectors. Shifts in technology affect both the way content is produced and distributed often resulting in new ways to make money for business. This affects all sectors from the need by television producers to think 360° [e.g., web and audio spin-offs] to the music industry where the revenues from recorded music are declining, but new opportunities are opening up for independent record labels and artists to reach their audiences directly.</p> <p>New technology provides new platforms on which to produce and distribute material, which in turn creates space for new business models. Gaming is very much dependent on cyclical platform advancements to regenerate its own sector. To develop a better understanding of these opportunities, training, skills and awareness-raising is recognised as being crucial to exploiting technological potential.</p> <p>It will be imperative for the growth of the sector that next generation broadband can be brought to the region quickly. [Fibre Optics enabling much higher capacity for content and speeds upwards of 25-100Mb/sec]</p> <p style="text-align: center;">Skills</p> <p>A lack of skills is seen as a barrier to continuing growth in most sectors with the exception of Photography and Digital Imaging where creative skills are increasingly at a surplus. However, business skills, technical skills and experience working in industry are all cited as barriers for the entry of graduates into all sectors. The infrastructure for initial training and continuing skills-development is thought to be lacking in the Midlands.</p> <p>Technical skill support and support in terms of business skills is believed to be required for employees at many different levels within their sector. Gaming in particular has a shortage of skills in many specialist areas.</p> <p>In music there have been useful regional initiatives in developing expertise in music management.</p>	<p>The Creative Industries are particularly dependent on wider economic fluctuations between “famine and feast” in Film production and difficulty getting work ‘month-by-month’ in Television. The gaming industry also goes through cyclical trends based on platform transition. Due to these instabilities and to the changing dynamics of film-production budgets, regional tax funding is considered increasingly important by the Film sector. Throughout the Film and TV sectors there is a feeling that infrastructure and production/post-production facilities are inadequate and in need of investment.</p> <p>Research and Development investment is also referred to by Film and TV sectors. Additionally the gaming sector report cited a lack of funding for new products or intellectual property as a cause of market failure. In music, models in use elsewhere are cited as applicable in the region as they emphasise the industry’s own strength in selecting new talent and directing appropriate investment towards it.</p> <p style="text-align: center;">Networking and Research</p> <p>Networking between members of the appropriate industries is considered to be beneficial, particularly with regards to raising awareness about developments in individual sectors. Awareness of new business models, technologies, delivery methods and platforms are all cited as areas where networking might be productive. Finding partners, being in contact with experts and collaborating with other parts of the industry to look for gaps in the market are all tasks that can be achieved through networking of various kinds.</p> <p>Research, in the way of being able to understand fast-changing sectors and their needs through market-intelligence, mapping, and evaluation is also cited as significant. Consequently, the region’s existing skill-base could also be catalogued and advertised.</p>

6. Strategic Objectives

The industry led Cluster Opportunity Group [COG] has produced a set of strategic priorities, which it considers will best address the Screen, Image & Sound Cluster needs over the next three years. The actions to develop effective market focus can be fitted into five over-arching strategic objectives:

1. **Influence the growth of Digital Media through Place, Profile and Alignment**
2. **Encourage innovation and the development of new and global markets as well as increasing market share in existing markets**
3. **Support business growth and skills development**
4. **Improve Information Signposting, Knowledge Networks & Supply Chains**
5. **Improve regional data and sector intelligence to inform decision making**

1. Influence the growth of Digital Media through Place, Profile and Alignment

- Influencing role to promote the region as a destination for bright ideas and centres of excellence. Work with communications and marketing departments wherever possible at AWM and local authorities.
- Support regional champions; create partnership working and support other effective delivery vehicles. Create print and other resources.
- Ensure the sector is fully integrated into the wider cultural agenda.
- Promote action on Eastside feasibility study recommendations.
- Consider sub-regional needs for Creative Centres and business incubation units.

2. Encourage Innovation and the development of New and Global markets as well as increasing market share in existing markets

- Establish business innovation programmes that link digital media and creative industry innovation to genuine market opportunities and realistic emerging markets.
- Support events, conferences and encourage business development in the region.
- Showcase local talent regionally, nationally and internationally.

3. Support business growth and skills development

- Work with partners to support the re-alignment of appropriate and world-class business support and skills development for the sector.
- Encourage inward investment, business start-ups and growth at all levels.
- Support the provision of effective business skills training which is well aligned to the needs of industry with-in the sector.
- Re-align Further & Higher Education courses to better match industry needs, including work placements and the promotion of media literacy
- Foster business support that is well aligned to industry needs. This will normally be funded by Business Link but could be supported by Cluster funds.

4. Improve Information Signposting, Knowledge Networks, Supply Chains

- Build on the *Digital Central* Portal brand for industry networks and signposting across all media sub-sectors in the cluster and possibly beyond.
- Support the Alignment of the Business Link gateway to sector needs.
- Develop the existing forums [*Producers & Animation*] and adding new ones, such as a *Content Forum* and *Games Forum* as appropriate. Build new collaborations to maximise new market opportunities.
- Align Knowledge Transfer Networks to industry needs and make relevant information available through Business Link and Digital Central.
- Disseminate best practice and other information to sector businesses, such as knowledge about Intellectual Property Rights.
- Develop supply chains to encourage business collaboration.

5. Improve Regional Data and Sector Intelligence

- Work closely with the West Midlands Regional Observatory to improve sector data.
- Encourage best practice collaboration and data sharing between clusters, eg., SIS working with the ICT Cluster.

7 The Action Programme

The Cluster will deliver the strategic priorities and actions through a number of Programmes of Activity and Small Projects. The industry led COG has built flexibility into the 2008-11 plan, so that each programme of activities can be adjusted, as industry needs change, during the life of the plan. The programmes are:

1. Screen Media Programme of Activities

Focusing on film, television, animation, interactive media, games and serious games

2. Audio & Music Programme of Activities

Focusing on audio, radio and music

3. Business Futures Programme of Activities

Focusing on the leading edge of Web 2.0, video, virtual environments and serious games to transform business practice, helping businesses to serve customers and reach new markets better.

It will be important not to miss cross-programme activity, so these activities will be aligned to ensure that all opportunities are properly considered.

There are three small projects within the action plan:

4. SIS Influencing, PR & Research Fund

A strategic fund to deliver positive outcomes for digital media by, for example, lobbying to win a larger share of public service digital media commissioning for the region.

5. The 2008 [2009-2010] Digital Event

Co-funding of this high profile Birmingham City Council led digital event.

6. Data & research

To address strategic objective 5 above, improve regional data and sector intelligence to inform decision making.

A common set of delivery targets will be drawn up for each of the three main programmes of activities. These will frame key deliverables as expressed in the Cluster's strategic priorities and market foci.

In all three main programmes, steering groups and industry representatives will oversee the decision making to ensure that the programmes of activities funded are targeted as closely as possible for the benefit of all parts of the Cluster.

The summary of activity for each part of the action plans is as follows:

1. Screen Media Programme of Activities

The Cluster will invite Screen WM, the Screen Agency for the West Midlands, to put a proposal in for running this strand. This is in keeping with national RDA policy to put screen agencies centre-stage in running screen-based activities. Screen WM will be required to demonstrate capability and understanding to run a wide programme of digital media activities including games and interactive media.

This programme will deliver on the first four of the strategic priorities; influencing, innovation & new markets, supporting business growth & skills and Information dissemination and signposting.

The programme will focus mainly on the first two target markets; Digital Content for Entertainment and Digital Lifestyle. Some programmes of activity may also overlap into the Business Futures market. The Screen Media Programme will work in close relationship with the other programmes of activity. So, for example, any collaborative projects involving music and film can be jointly funded.

The Screen Media programme is likely to be given the primary responsibility for running the new and expanded Digital Central web portal.

2. Audio & Music Programme of Activities

This programme will be procured by tender and will replace the current *Digital Central* programme of activities. Many good things have come out of the existing programme and these will be picked up and developed in the new programme. As with Screen Media above, the first four strategic priorities will be covered by this programme, along with potential work across all three target markets. The Cluster is planning to commission a music and radio sector consultancy in early 2008 that will help inform the direction of the programme of activities in this area.

3. Business Futures Programme of Activities

This programme will be procured by tender. The programme will deliver on the first four strategic priorities but this time focus on target market 3, Digital Business Futures. The successful bidder will work closely with the other programmes to ensure joined-up thinking in the entertainment and lifestyle space.

4. SIS Influencing, PR & Research Fund

This fund will allow the cluster to adopt a crucial influencing and strategic role. It is likely to be held at AWM and controlled by an industry steering group. It will focus on strategic priorities: influencing, re-aligning support & skills and data gathering. It will be run in conjunction with the communications and PR team at AWM to ensure strategic fit across the agency.

The fund will also cover any short-term needs in the digital imaging/photography sub-sector whilst the Cluster's strategy for supporting the sector is being considered.

5. The Digital Event

AWM plans to co-fund *The Digital Event*, which starts pre-production in early 2008. It will be run by Birmingham City Council and promises to bring a high national and international profile to the region from autumn 2008. It is hoped this will become an annual event with a reducing public subsidy.

8 Measures of Success

Measures of success for the Cluster will include all relevant tasking framework outputs and strategic added value indicators. The cluster will lobby to add outcomes more closely aligned to raising the profile of digital media in the region, e.g., influencing young people. Measuring increased profile and reputation for the sector is not easy to do in numbers, so some of the success criteria below will be measured by surveys and anecdotal evidence. We expect:

- The profile of the West Midlands will have grown nationally and internationally
- Entertainment and business events in the region will have been strengthened
- Businesses and target markets will have grown
- At least some of the planned infrastructure projects for the region will have received a go-ahead
- There will be realigned business support and skills to better serve the sectors
- Cross sector digital media solutions will have started delivering
- Industry feedback will confirm that support & information delivery are more effective.

Digital Media and Creative Industries are a vital part of the overall cultural economy of the region. This plan will play its part in both developing the Digital Media Industries *and* realising a *better* Birmingham and Region..

9 Budget & Expenditure

Indicative budgets over the business cycle 2008-2011:

Cluster Budget [see appendix A for details]	Totals in £1000's			
	08/09	09/10	10/11	Total
Proposed Projects [inc indicative ERDF]				
Screen Media Programme of Activities	500	500	500	1,500
Audio & Music Programme of Activities	160	170	170	500
Business Futures Programme	250	250	250	750
Influencing, PR & Data Fund	99	80	67	248
The Digital Event 2008	133	0	0	133
Digital Event 2009,2010	0	100	100	200
Data & Research	30	37	9	75
Total of Single Pot Cluster Money	1,172	1,137	1,097	3,406

NB: Indicative ERDF is subject to suitability of spend in programmes and fit within AWM.

Innovation Technology Council monies may be available during this period, but are not included in the above budgets. Other monies are available for dissemination of ICT technology futures [FP7 *Create* Programme] which are not included.

The Cluster will collaborate closely with all delivery vehicles, such as Regeneration Zones and Technology Corridors, to ensure we achieve the maximum possible for the sector.

The cluster will apply for other funds as and where possible to support the sector.

Appendix 1: Proposed Budget & Projects: Screen, Image & Sound Cluster Feb 2008																	
Title of project	Total Year Costs £'000s			Annual AWM Cost £'000s										Yes/Strategic VFM ~			
	2008-2011			2008/9			2009/10			2010/11							
	Single Pot	Cap	Rev	ERDF *	Total AWM	Anticipated non-cluster funding #	Single Pot	Cap	Rev	ERDF +	Total AWM	Single Pot	Cap		Rev	ERDF +	Total AWM
Screen Media Programme			750	750	1,500			250	250	500			250	250	500	500	Y
Audio & Music Programme			250	250	500			80	80	160			85	85	170	170	Y
Business Futures Programme			375	375	750			125	125	250			125	125	250	250	Y
SIS Influencing, PR & Research			248	0	248			99	0	99			80	0	80	69	S
Digital Event 2008, 2009-2010			133	0	333			133	0	133			100	0	100	100	Y
Data & Research			75	0	75			30	0	30			37	0	37	8	S
New Cluster Plan TOTAL	0	2,031	2,031	1,375	3,406	0	0	717	455	1172	0	677	460	1137	0	637	1097
Legacy projects legal at 1st Oct 1 07					0					0					0		0
BG/NM3082 Advantage Broadcast Fund					0					0					0		0
FS/SP7007 Advantage Media Production Fund					0					0					0		0
Creative Cities [innovation]					0					0					0		0
Interactive Digital Media [innovation]					0					0					0		0
Projects forecast to go legal Oct 07 -Mch 08					0					0					0		0
Advantage Development Fund					0					0					0		0
Total Cluster Projects Carried Forward	0	0	0	0	3,406	0	0	717	455	1172	0	677	460	1137	0	637	1097
TOTAL Cluster Forecast Expenditure	0	2,031	2,031	1,375	3,406	0	0	717	455	1172	0	677	460	1137	0	637	1097

Indicative ERDF, subject to full details of programme activities to ensure compliance to European funding regulations.

~ VFM - "Y" (Yes) indicates project expects to generate reasonable outputs

END NOTES:

¹ Staying Ahead: The economic Performance of the UK's Creative Industries, June 2007, DCMS

² eLearning: A Global Strategic Business Report, " published by Global Industry Analysts, 2007 www.campustechnology.com