

# The Sharp Project

## Impact Assessment

February 2016



# The Sharp Project

## Overview

The Sharp Project officially opened in 2011 at the former European distribution centre for Sharp Electronics on Oldham Road, east Manchester, next to Central Park. It is Manchester City Council's flagship initiative to support the development of the City's digital sector. The building was completed in June 2011, having received £6.8m of public funding between 2009 and 2011.

The strategic aim of The Sharp Project is to develop and expand the creative and digital sector in Manchester through creating work and generating business. The Sharp Project also has a strong focus on developing a balanced ecosystem which supports growth, as companies collaborate as well as compete with each other for business.

The scope of the final facility and on-site services emerged through extensive consultation with sector representatives to ensure the resulting facility would effectively support the sector's growth. The final model brings together space, connectivity, power and people, to support the convergence of both assets and talent that can allow Manchester to compete in both a national and global marketplace.

The Sharp Project has been exceptionally well received by the sector and the brand has gone on to expand creating The Space Project (a purpose built TV and film production facility located in West Gorton) – further details of which are provided later in this report.

The Sharp Project is now home to over 60 digital companies and provides the flexible and affordable office, studio and workshop space required by start-ups, micro businesses and SMEs, which form the core of both the city's and national creative and digital sector. As outlined later in this paper, it provides an innovative accommodation offer that is responsive to business needs.

## Target Market

The Sharp Project received funding specifically to help grow and build on the creative and digital sector in order to create employment and career opportunities in the area. To help create an ecosystem on site which allows growth of companies in these sectors to develop, and to encourage collaborative working, companies are admitted in accordance with an admission policy.

The policy requires both companies accessing The Sharp Project as permanent tenants and as temporary users to offer complementary or additional services which allow creative companies to develop their skills and support their businesses to grow. All prospective tenants are assessed to confirm that they are *"involved in, or support thereof, the making, manipulation or moving around the world of digital content in order to make money and grow the sector"*.

## Overall Aims and Objectives

The Sharp Project's original aims and objectives were outlined to:

1. Create a new production, digital and creative industries centre in east Manchester by providing 200,000 sq. ft of accommodation and bringing a redundant building back to use.
2. Provide the connectivity and power supply that this sector needs to do business.
3. Support the digital and creative sector's employment growth by assisting 45 businesses per annum (by 2012/13) and accommodating 950 jobs.
4. Attract companies from outside of the region, providing an easy entry to establishing a base in the North West.
5. Establish a training/mentoring programme for talented young people/new entrants.
6. Build on the momentum created by MediaCity:UK to strengthen the region's digital and creative offer and act as a catalyst for private sector investment and development.

## Assessing The Sharp Project's Economic Impact

### Previous Assessment Findings

In 2013, ekosgen conducted an economic impact assessment of The Sharp Project which found that since opening, the facility had successfully established itself as a major economic asset for Manchester, the wider sub-region and the creative and digital sectors.

The Sharp Project has attracted a critical mass of companies in the digital and creative sectors, who collaborate as well as compete with each other, helping to drive further growth in the sector and build Manchester's reputation as a place to do business.

The economic impacts of The Sharp Project were substantial both in employment and GVA terms, with strong evidence that The Sharp Project was helping to encourage business growth amongst its tenants. In 2012/13, monitoring records showed that The Sharp Project accommodated 962 jobs, equivalent to 375 full time positions, which supported an annual GVA impact of £21.4m. This comprised 205 full time equivalent jobs supporting an annual GVA impact of £11.7m from permanent tenants and 170 full time equivalent jobs supporting £9.7m GVA from production activities. The previous survey of tenants showed that over 56 jobs had been created since moving to The Sharp Project.

Other reported forms of business growth included increases in turnover, productivity and the number of products/services offered by tenant businesses. The Project was shown to have generated higher than average levels of additionally, with companies reporting that the growth would have occurred on a smaller scale and/or would have taken longer to achieve if they were not located at The Sharp Project.

### Securing an Updated Perspective

This report has been prepared to build on the 2013 assessment findings. Four years after opening it considers changes in the sector, both in Manchester and nationally, the role that The Sharp Project plays in the local creative and digital sectors, why tenants continue to locate at The Sharp Project and the benefits they are experiencing as a result of doing so.

All tenants provided their employment numbers and were invited to complete a short online survey to explore:

- The nature and scale of business activities on-site;
- Reasons for locating at The Sharp Project;
- Benefits experienced since locating at The Sharp Project; and
- Future growth prospects of individual businesses and the sector.

A sample of businesses were contacted by telephone to allow further evidence to be gathered against the topics above. Members of The Sharp Project's management team were also consulted to secure their perspective on recent activity and understand future plans.

### Report Content

The remaining sections of this report provide:

- An overview of the scale and characteristics of the creative and digital sector in Greater Manchester;
- Details of The Sharp Project's accommodation offer and developments since the 2013 impact assessment was prepared;
- A profile of tenants and temporary users of the facilities, including for production purposes and as campus members;
- The activities of SharpFutures and how the social enterprise supports the wider objectives of The Sharp Project;
- Business feedback on the facility and interaction with other tenants;
- An overview of benefits reported by tenants;
- An overview of the range of wider strategic benefits generated;
- Early findings from operation of The Space Project.

## The Creative and Digital Sector in Greater Manchester

### A Prominent Sector

#### Current Scale

Data from 2013<sup>1</sup> shows that almost 44,000 people across Greater Manchester are employed in the creative and digital sector – this is equivalent to almost 4% of all employment.

Almost half of the sub-region’s employment is concentrated in the core of the conurbation, across Manchester (31%) and Salford (18%).

Employment and Businesses in the digital content & ICT sector 2013					
	No Employees	% of GM		No Businesses	% of GM
Manchester	13,600	31.0	Manchester	1,815	26.7%
Salford	7,700	17.6	Trafford	1,065	15.7%
Trafford	5,900	13.4	Stockport	1,035	15.2%
Stockport	5,500	12.5	Salford	595	8.8%
Bolton	2,500	5.6	Bolton	485	7.1%
Rochdale	2,300	5.2	Wigan	460	6.8%
Bury	2,000	4.5	Bury	400	5.9%
Oldham	1,700	3.9	Tameside	335	4.9%
Wigan	1,700	3.8	Oldham	305	4.5%
Tameside	1,200	2.6	Rochdale	300	4.4%
<b>GM</b>	<b>43,900</b>	<b>100%</b>	<b>GM</b>	<b>6,795</b>	<b>100%</b>

Source: Business Register & Employment Survey, 2013

With almost 6,800 businesses, the sector accounted for 9% of Greater Manchester’s business base in 2013. Reflecting employment concentrations, Manchester provides the focus for the business base and the sector accounts for 12% of all businesses in the city.

The city region’s employment cluster, particularly at the core of the conurbation, continues to play an important role outside London. As noted in the MIDAS produced report *Manchester: Come Create the Future*, Manchester is Europe’s second largest creative, digital and media hub and the industry is growing faster in the city than anywhere else in the UK. The scale and concentration of employment suggests that Greater Manchester continues to operate in national and international markets.

High profile employers based in Manchester<sup>2</sup> include:

- **IBM:** the city is home to all the key IBM business units as well as a systems software development laboratory.
- **BBC:** with around 2,700 staff working across 26 departments at MediaCityUK, including Future Media and Technology, Drama and BBC Sport.
- **ITV:** over 500 staff are now employed in the city as part of the UK’s biggest commercial programme provider.
- **Talk Talk:** employing over 700 staff in the network engineering centre in mostly engineering and technical roles.

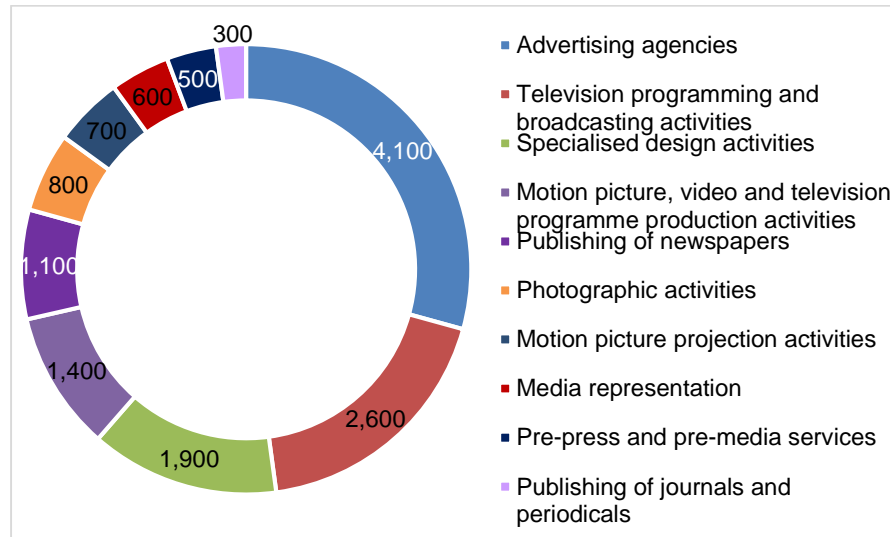
<sup>1</sup> Business Register and Employment Survey (BRES)

<sup>2</sup> As referenced in *Manchester: Come Create the Future*, MIDAS

**Sub-Sector Strengths**

The charts below show key sources of employment within both the digital content and ICT sectors in Greater Manchester. Both sub-sectors are diverse and support high levels of employment. Digital content includes strengths in advertising, television programming and broadcasting and specialised design while the ICT sector has strengths in computer consultancy and programming and other telecommunications activities.

**Employment in Greater Manchester’s top 10 Digital Content Sub-Sectors, 2013**

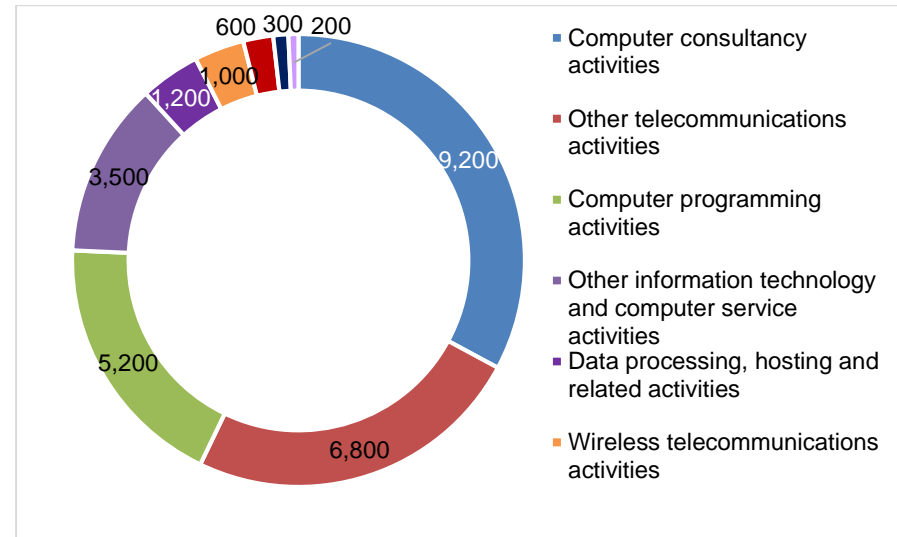


Source: BRES

The importance of TV programming and motion picture video and television have played a part of the success of The Space Project which has built on The Sharp Project’s brand (see later section).

Computer consultancy activities account for over 9,000 jobs in Greater Manchester, almost one in three of all ICT related jobs. Along with computer programming activities, the emphasis of ICT businesses is on activities with a high level of technical skills.

**Employment in Greater Manchester’s top 10 ICT Sub-Sectors, 2013**



Source: BRES

A number of these sub-sectors are also dominant relative to national concentrations. Location quotients measure the dominance/concentration of an indicator relative to a comparator area, in this case England wide. A rating of 1 shows that the position is equal to the national average while a figure above 1 means there is greater dominance/concentration and less than 1 means less dominance. When London is excluded, seven of Greater Manchester's top 10 sub-sectors for employment have equal or greater dominance than nationally.

**Top Ten Digital Content and ICT Sub-Sectors and Location Quotients in Greater Manchester**

	No of employees	LQ (exc. London)	LQ (inc. London)
Television programming and broadcasting activities	2,600	11.0	2.6
Motion picture, video and television programme production activities	1,400	2.0	0.9
Advertising agencies	4,100	1.5	1.1
Specialised design activities	1,900	1.3	1.3
Other information technology and computer service activities	3,500	1.1	1.3
Other telecommunications activities	6,800	1.0	1.1
Computer programming activities	5,200	1.0	1.1
Computer consultancy activities	9,200	0.8	0.9
Data processing, hosting and related activities	1,200	0.7	0.8
Publishing of newspapers	1,100	0.7	0.8

Source: Business Register & Employment Survey, 2013

Even when London is included Greater Manchester continues to have very high concentrations of employment in television programming and broadcasting activities, with employment levels over 2.5 times the national average. The conurbation also has a number of ICT related sectors with higher than average concentrations of employment.

**Forecast Growth**

The Greater Manchester Forecasting Model<sup>3</sup> (GMFM) suggests that in the period 2014-24, the sector will out-perform economy wide growth forecasts. Almost 12,000 additional jobs are forecast to be created, equating to growth of almost 19% at a time when the overall Greater Manchester economy is forecast to grow by approximately 8%. Growth in the creative industries is forecast to occur at a slightly higher rate than in the digital sub-sector.

In 2014, the GMFM suggests that Greater Manchester's creative and digital sector generated almost £3 billion in Gross Value Added. By 2024, this figure is forecast to reach £4.7 billion, considerably outstripping the rate of employment growth.

<sup>3</sup> Greater Manchester Forecasting Model, Oxford Economics, December 2014

## The Sharp Project: Current Offer and Recent Developments

### Current Offer

The Sharp Project has tailored its accommodation offer to respond to the needs of its target clients. The on-site accommodation offer currently consists of:

The Sharp Project Accommodation Offer	
Accommodation Name	Description
The Red Area/the Street	32 shipping containers converted into glazed office units, arranged in two terrace streets to create a 'high street'
The Blue Area	12 serviced office spaces ranging from 290 sq. ft to 4,600 sq. ft
The Gold Area	28 workspaces split across two levels arranged around an internal courtyard that offer a total of 30,000 sq. ft of office space
The Campus	The social hub which is accessible to tenants, on-site production companies and campus members. It offers open plan seating, meeting facilities, wireless access, lockers and on-site catering
Studio space	Four green screen studios available for hire for voice-overs, photography, advertising and the creation of digital content
Production space	50,000 sq. ft of TV and film production space available for hire in conjunction with back stage facilities, e.g. dressing rooms and make up rooms
Meeting rooms	Meeting rooms are available for hire by tenants, campus members and third parties

Flexibility has been maintained in how facilities are used to ensure they continue to respond to demand and complement facilities available at the sister site, as outlined below.

### Recent Developments

A series of developments have been progressed since the 2013 impact assessment of The Sharp Project was completed. Each development has built on The Sharp Project brand and allowed the facility to refine its offer as new developments have applied a specific focus to their day to day activities in response to the requirements of client groups. The later development phases have been welcomed as warmly as the initial Project, clearly responding to identified gaps in the market.

#### Green Screen Facility

The creation of a new hi-tech green-screen facility – four fully sound proofed tailor-made green screen suites ranging in size from 453 to 1,275 sq. ft. The studios can be used for voice-overs, castings, photography, corporate ads and music videos with the offer of small, accessible studios responding to growing market demand.

#### The Space Project

A new drama production facility in West Gorton, as considered in further detail in a later section of this report.

#### Re-alignment of Production Activity

Development of The Space Project has seen the transfer of drama production activity out of The Sharp Project, with updated on-site production activities outlined later in this report. The move also released Stage Two (which was previously used for the production of Mount Pleasant) allowing a long term let to be agreed with JD Sports digital content team. The company has created five permanent studio sets and a catwalk as well as relocating their creative content makers.

## **Joint Working**

The Sharp Project has worked closely with The Space Project since the latter facility opened in 2014. The Space Project was developed in response to high levels of demand identified at The Sharp Project and has allowed pressure on stages offered at the original facility to be eased.

A consistent management team oversees the two facilities to ensure that synergies are maintained and that each facility builds a clear brand in the marketplace. This has necessarily required some activities previously accommodated at The Sharp Project to be re-directed to The Space Project. There is a clear rationale for doing this with The Sharp Project now able to focus on short term production activities (e.g. the production of advertisements) while The Space Project focuses on drama/long form production. Capacity opened up at The Sharp Project is allowing new market opportunities to be explored, as considered in the next section.

That said, opportunities for the two facilities to work together also continue to be explored. In cases where The Space Project cannot accommodate all demand, opportunities for productions to be based at The Sharp Project will be explored. There have also been instances of the two productions working together to accommodate productions. For example, a recent Channel 4 production used the stages/production space at The Space Project, offices at The Sharp Project, involved shooting on-location in Manchester City Centre and used props supplied by a tenant of The Space Project. Without the ability to offer a dual offer, it may not have been possible to accommodate this production in the city.

## **Future Plans**

The Sharp Project continues to innovate and to respond to new opportunities in the marketplace. Over the coming months, a focus will be placed on growing the gaming and coding community, taking forward further objectives identified in the Project's original business plan.

In the past year, plans have been developed for a major datacentre on-site.



## The Sharp Project's Tenants

### Permanent Tenants

#### Tenant Profile

The Sharp Project is currently home to approximately 60 businesses that specialise in digital content production, digital media and television and film production. This is an increase on the 54 tenants reported as part of the previous impact assessment. High demand for facilities means that the management team has been able to strictly apply the terms of the admissions policy and engage target occupiers at all times.

Services offered by current tenants include:

- Tech solutions
- Animation
- Search engine optimisation
- Web design
- Product design
- Post production
- Live and pre-recorded/post music production
- Audio dubbing
- App development
- Specialist camera TV production equipment hire
- VOIP/Internet service companies
- Costume and prop hire
- Graphic design and technology

Tenants focus on different elements of the creative and digital sector, including the use of social media, web design, the development of apps and production companies specialising in corporate videos and content. This suggests that the facility is responding to the needs of a wide range of businesses operating in the sector as well as providing services to sectors across the economy, reflecting the enabling role that creative and digital activities are playing in a wide range of businesses.

Recent additions to the tenant base include the attraction of Brown Bag Films (an Oscar nominated animation company), Oneiota (a multi-channel retail technology specialist) and Pro Motion (who cater for digital content and shooting requirements).

#### Case Study

Brown Bag Films produce a number of popular children's TV shows, including Doc McStuffins, Peter Rabbit and Octonauts. They opened their third studio at The Sharp Project in 2014, adding to sites in Dublin and Los Angeles, and are a high profile new tenant in the city.

A 2D animation studio has been created on-site that builds on the company's existing strengths and supports expansion plans with material being produced for children of all ages. On opening the studio, the CEO said:

*"As we celebrate our 20th year in business this year, there is no better way to celebrate than by expanding and opening a new studio in Manchester. We are very excited to get back to our hand-drawn animation roots with this 2D studio and Manchester is such a brilliant and vibrant city with so much talent to offer. As we grow, we hope to have as many as 40 full time jobs in the new year."*

Since arriving in Manchester, the company has been acquired by 9 Story Media Group (one of North America's largest animation studios) with further expansion plans now in place.

#### Patterns of Occupation

The Sharp Project has successfully retained a high proportion of tenants for a long period of time and continues to receive enquiries from businesses looking to locate at the facility. Almost a third (32%) of units have been occupied by the same tenants for three or more years, whilst 19% have been there for 2-3 years, 14% 1-2 years, 6% 6-12 months and 20% for less than 6 months.

At the time of reporting, two units were vacant but recent enquiries suggest that they will be occupied shortly. Some unit capacity has been maintained at times to ensure space is available to offer flexibility to occupiers to accommodate fluctuating needs.

## Temporary Users

### ***Production***

In addition to the Green screen studios, The Sharp Project contains four stages which are predominantly used for the production of digital content. Since The Space Project launched, there has been greater consideration of the focus of use of stages at The Sharp Project to ensure that the positioning of both facilities in the marketplace is clear and that potential productions can be routed to the facility that best responds to their needs. The management team is conscious of the need to ensure that there is synergy rather than competition between the two facilities.

In summary, use of the four stages at The Sharp Project is currently as follows:

- Stage One is designed for high turnaround adverts and creative and digital events.
- Stage Two has transferred over to JD Sports Fashion PLC, as outlined earlier in this report.
- Stage Three is a 6,200 sq. ft. production stage that is available for hire to accommodate overspill demand.
- Stage Four (the largest of the production stages) was previously occupied by the TV series Fresh Meat which finished production in June 2015. This space is now occupied by Sky's successful Mount Pleasant comedy drama and in the long term earmarked for a data centre, in response to demand.

Although TV production activity has become a less significant component of activity than pre The Space Project, The Sharp Project has continued to cater for important clients and productions including TV production activity for Sky and Channel 4. In broad terms, The Sharp Project will continue to focus on digital content (including short term TV production and advertisements) while The Space Project will cater for longer term TV production requirements, particularly drama.

### ***Campus Members***

As well as catering for tenants, The Sharp Project offers three of Campus membership levels for individuals (one day, basic and full) and two levels of corporate membership to businesses based outside the facility. The memberships (first introduced in 2012) allow a larger number of businesses than the facility is able to accommodate day to day to benefit from the facilities and networks on offer. As examples, the memberships allow access to The Sharp Project's events, communal facilities and receipt of the campus newsletter to remain informed of events and any tenant changes and achievements. A total of 40 campus members have been admitted with all applications assessed to ensure a strong fit with The Sharp Project's objectives. This is a significant increase on numbers at the time of the previous impact assessment.

## SharpFutures

### Overview and Aims

Established in 2012, SharpFutures is a Creative Digital agency that supports young people into employment. Based in The Sharp Project, the social enterprise *'seed ideas through services for education, nurture the best talent we find through employment opportunities and real working experience, and grow through the sale of business products and services'*.

SharpFutures' aims are as follows:

- To build the capacity of deprived communities through nurturing, educating and growing talent to enhance and expand the creative and digital sector in the UK.
- To create and sustain careers.
- To build capacity and opportunity across the sector from deprived communities.
- To open access to talent from a wider social background.
- To produce local economic wealth and grow the Creative Digital sector in the UK.

SharpFutures is also beginning to take advantage from the new opportunities arising from the development of The Space Project in West Gorton.

### Scale and Nature of Activities

SharpFutures is proactively engaging young people from across Manchester, giving them first-hand experience of work in the creative and digital sector. The 2014 Annual Report shows that the Creative Digital Experience Days programme increased nearly 5-fold in 12 months. This allowed 337 pupils from across Manchester to be brought to The Sharp Project in 2014, to experience the Creative Digital sector. As well as signing up to these days, there have been a number of pupils moving on to

apprenticeships as well as returning to further services. At the time of writing, ten apprentices are being supported.

SharpFutures offered a range of Creative Digital workshops to schools in conjunction with tenants from The Sharp Project. This approach ensures that young people gain an understanding of employment opportunities in the local area, learn about the type of work that companies deliver day to day and help to build the skills required in the future workforce. Examples of the subjects covered include:

- Coding – pupils practice HTML, CSS and JavaScript to create their own webpage.
- Green Screen Journalism – students take on the role of camera operators, sound crew, director, script writer and presenter to create their own live studio link in The Sharp Project's Green Screen studios.
- The Write Stuff – An introduction into advertising and the life of a freelance copywriter. Pupil's come up with ideas for their own brand of trainers and pitch to industry professionals.
- Green Screen Presentations – Pupils film their own presentations in the green screen studios, and oversee the editing process used in creating short virals – with a finished film to take away.
- Social Media and Viral Marketing – pupils explore successful viral campaigns and pitch to create their own.

Other successfully delivered initiatives include #DigitalTeapot2014 which delivered workshops to engage women and alert them to developments and career opportunities in the creative digital sector and Manchester CoderDojo – a monthly coding session which is regularly over-subscribed. Each initiative has successfully increased awareness of opportunities in the sector and shown that a wide range of people can play a role in its success.

## Identified Benefits

The 2014 Annual Report highlights the range of benefits being secured through SharpFutures' activities. Examples include:

- A 100% success rate from the initial pilot of apprentices graduating and going into employment or a higher level apprenticeship;
- Businesses continue to be more engaged with the number involved in the delivery of SharpFutures activities and enquiring about Talent Pool, as one example, continuing to grow;
- A wide range of schools are building their knowledge of opportunities in the sector and skills requirements which will help to inform skills development and young people's career choices.

Tenants also see benefits from the initiative with one survey respondent saying: *"SharpFutures is very useful in helping us to recruit."*

Below these findings, the service is generating real benefits for individuals. Apprentices are securing real work experience that is helping to build confidence and understanding and position young people to start a career in the sector. For example, an apprentice initially secured experience working as a runner at The Sharp Project in 2012 to complete a Level 3 Apprenticeship. Supported through SharpFutures, he gained experience of working on numerous productions, completed this Apprenticeship and has recently secured a position as Assistant Stage Manager at The Space Project while completing a Level 4 Apprenticeship.

Such examples of progression play an important role in demonstrating the difference that the initiative can make and continuing to engage more young people and businesses in activities. In the case of this apprentice and many others, SharpFutures has allowed them to gain value work experience and take the first steps towards progressing in their chosen career.

The 2015 SharpFutures Annual Report can be [read here](#).

## The Business Perspective

### Introduction

All tenants of The Sharp Project were invited to complete a survey to inform this report. An online survey was issued to a lead contact within each organisation and telephone consultations were also completed to increase the response rate and gather more qualitative material. 25% of tenants responded.

### Respondent Profile

The large majority of survey responses were from micro businesses (i.e. those employing fewer than 10 staff members) with the largest employing 15 full time staff. This reflects the focus of the facility on supporting SMEs, including new start-ups, to thrive. In total, the businesses completing the survey employ 65 full time and 26 part time staff – approximately 78 full time equivalent posts.

Respondents were typically at a relatively early stage of business development. The longest established business had been trading for 8 years with 6 out of 15 respondents trading for 2 years or less.

Two respondents had started their business at The Sharp Project. Seven out of 16 respondents have been at The Sharp Project for 2 years or longer and a further 5 have been there for between 1 and 2 years.

Business Age			Time at The Sharp Project		
	No.	%		No.	%
Less than 1 year	1	6	Less than 6 months	2	13
1-3 years	6	38	6 months – 1 year	1	7
>3-5 years	6	38	1-2 years	5	33
>5 years	3	19	2-3 years	1	7
			3 years +	6	40
<b>Total</b>	<b>16</b>	<b>100</b>	<b>Total</b>	<b>15</b>	<b>100</b>

Source: The Sharp Project Business Survey, 2015

In the case of 2 businesses, moving to The Sharp Project represented a move into Greater Manchester (including one business that had not previously had a UK base). Respondents had most commonly (6 out of 14) moved to The Sharp Project from other business premises in Manchester. A further 3 businesses had previously been home based operations within Manchester.

#### Case Study

Neilson Reeves Photography is a commercial photography company. After leaving their previous studio premises when their landlord needed the space back, they worked at home but it wasn't right for them:

*"I needed a new space as I was going insane working at my own home, I did not like it."*

They found out about The Sharp Project through a friend and say it was *"a match made in heaven"*:

*"The stars seemed to align for me, it was perfect. It had everything I needed for an office space and more".*

Since moving to The Sharp Project three years ago, the proprietor has enjoyed being part of a larger facility. Identified benefits include:

*"There was an increase in clients due to how easy it is to network here because of all the varied business that work here... there is such a good sense of community here that I really enjoy being a part of."*

When asked if businesses would have moved outside the North West if The Sharp Project had not been available, only 6 out of 14 said definitely not. The Sharp Project may therefore have helped to attract and retain business in the region.

## Trading Profile

Greater Manchester provides a rich source of business for many tenants of The Sharp Project. Nine businesses completing the survey question said that 51% or more of their customers are located in the sub-region.

Businesses are not however solely reliant on sub-regional customers. A third of respondents say that 50% or more of their customers are based elsewhere in the UK and one business has over 50% of its customers overseas. With 9 businesses serving customers outside the UK, it appears that tenants are also successfully responding to global demand for digital services, building on the findings of the previous impact assessment.

Location of Customers						
	% of customers					Total
	0%	1-25%	26-50%	51-75%	76-100%	
In Greater Manchester	0	4	3	7	2	16
In the rest of the UK	0	6	4	4	1	15
Outside of the UK	3	8	0	1	0	12

Source: The Sharp Project Business Survey, 2015

Greater Manchester is also an important supplier base for businesses. Nearly half of tenants responding to the question say that 75% or more of their suppliers are based in Greater Manchester with one business being entirely dependent on sub-regional suppliers. High use of local supply chains reflects how the digital sector and associated suppliers has grown locally to respond to demands and market opportunities.

In cases where businesses have suppliers elsewhere in the UK, the proportion ranges from 0% to 80% with the most commonly identified proportion being 50% (5 out of 14). Suppliers outside the UK account for between 0% and 80% of all suppliers identified by respondents.

Location of Suppliers						
	% of suppliers					Total
	0%	1-25%	26-50%	51-75%	76-100%	
In Greater Manchester	0	3	3	2	7	15
In the rest of the UK	1	7	5	0	1	14
Outside of the UK	4	3	3	0	1	11

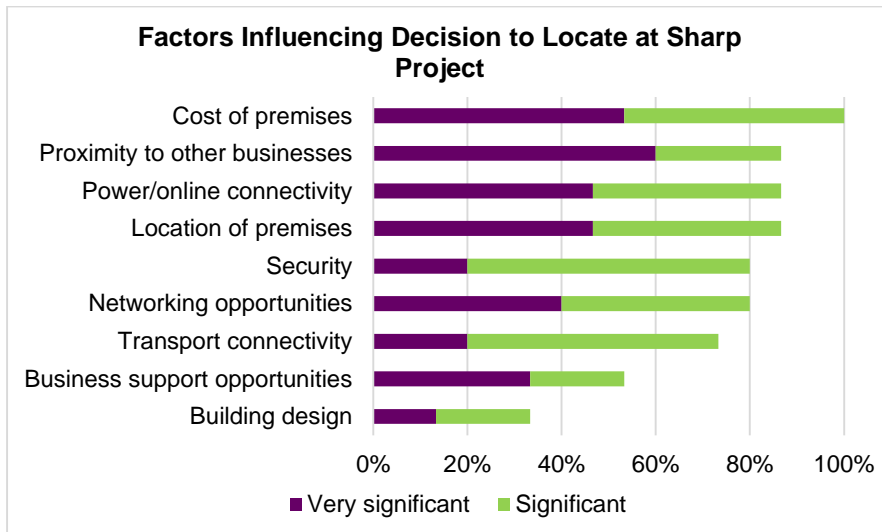
Source: The Sharp Project Business Survey, 2015

Trading patterns continue to generate wider impacts for the Greater Manchester economy through:

- Additional income generated by customers from the rest of the UK and overseas being re-circulated in the local economy through spend on wages and suppliers; and
- Supporting indirect employment as a result of expenditure through Greater Manchester based suppliers.

### Reasons for Locating at The Sharp Project

The Sharp Project has continued to attract businesses without the need for above the line marketing. Reasons for locating at the facility are multi-faceted although tenants regularly rated security (9 respondents), cost of premises (8) and transport connectivity (8) as very significant to their decision.



Source: The Sharp Project Business Survey, 2015

Open responses focus on the benefits of locating with similar businesses. This is seen as an important attractor of the facility with tenants reporting benefits as a result (see later sections). General office and workshop accommodation often did not fully respond to business needs.

### Tenant view – Benefits of locating at The Sharp Project

*We were looking for something with social life – looking for a creative hub to remain in close contact with other similar businesses*

*Interaction with other tenants, sense of community and ecology – share skills and customers – instead of being isolated elsewhere*

*Initially it was its convenience however upon taking up a tenancy, the whole working environment has proven to be perfect*

*Since we are a creative business, working with the TV/corporate production sector, it was an ideal location*

*The connections that could be built and the atmosphere of being surrounded by tech companies*

The facility is well respected by both tenants and the wider sector. Its profile has continued to grow and there is gravitas associated with being located there. As one tenant commented: *“There is ‘Cool factor’ about this place due to its size and aesthetics. when we bring clients in they are impressed because of where I work. It makes the business seem more impressive as a result”*. Two other businesses provided similar comments, with one saying: *“It’s a modern impressive site. An exciting dynamic space, great location, great for start up companies”* and another that: *“It’s a great place to show off our clients when they visit, they are impressed by our location and as a result we are proud to be here”*.

Tenants are widely aware of The Sharp Project’s admissions policy (10 out of 12 respondents) and welcome the impact it has on tenant mix with 11 respondents believing the policy impacts on the working environment. Survey respondents believe that the mix of tenants is a strength of the facility and one that should continue to be protected.

### Tenant view – Success of the admissions policy

*It has a good effect on the mix of different companies*

*At the Sharp project you're with like-minded people who are always creative*

*Great balance of businesses – enough to provide a collaborative/competitive space*

*It's important for us to be in a creative cluster of similar businesses. It facilitates creativity and collaboration*

### Interaction with other Tenants

Business survey results suggest that The Sharp Project has successfully created “a balanced ecosystem” where tenants collaborate as well as compete for business. Interactions are taking a variety of forms with survey results showing that:

- 100% have shared business ideas/contacts with other tenants of The Sharp Project;
- 92% have networked with other tenants;
- 75% have traded with other tenants; and
- 75% have worked in collaboration with another tenant.

As illustrated by the quotes above, the ability to locate and interact with other businesses operating in similar activities continues to be a significant draw. The facility has successfully created a hub of businesses that see value in working together and are actively seeking opportunities to do so.

### Tenant view – Tenant interactions

*A lot of businesses and possible partnerships we've been working with are in the project or at nearby Central Park*

*Worked with many other tenants in the Sharp Project on many different projects*

### Case Study

Since moving into The Sharp Project 8 months ago, H & E Inventions (a company that researches and develops emerging technologies) has found ways to work with its neighbours. The opportunity to be part of a community of similar businesses was one of the first things that attracted them to The Sharp Project.

When asked about the benefits of being based at the facility they said:

*“Being next door to people like Doodledo [a video production company] for starters. We need people like that for certain parts of our projects so we look for outside help. Being able to just pop our head next door to our neighbour and chat is so useful. This makes working together much more convenient and puts us at ease with working with other companies here, it also makes us choose them more due to the convenience factor.”*

Businesses are experiencing benefits as a result of interactions. Feedback identifies examples of businesses working together to explore opportunities that they wouldn't have been able to deliver alone and identify new opportunities in the marketplace.

### Tenant view – Benefits of interaction

*Gained a couple of contracts in The Sharp Project*

*Allowed us to easily expand our service offering to the cluster*

*We are already experiencing good results with the companies we are already collaborating with*

*Collaboration generally leads to a greater understanding of some aspects and greater opportunities*



**Case Study**

Doodleo Motion specialises in creative motion graphics, animation and pre & post video production for TV and corporate clients, including Virgin Holidays, the BBC and Universal Music Group. The team of five staff members has been based at The Sharp Project for five years during which time they have established strong connections with a number of other tenants.

The ability to locate with similar businesses and explore opportunities for collaborative working are identified by the team as benefits of their location:

*"We knew other creative business that were already here so we bought into the community aspect of The Sharp Project... [a benefit of the location is] being able to work with other businesses and collaborate with them. It leads to an increase in work through relationship building and partnering with other companies. Also here we are able to connect other companies with our clients and assist them in growing also."*

**Events Programme**

The Sharp Project hosts a varied programme of events for both tenants and the wider digital and creative sector community. Activity during 2015 has included:

**Showme Showme** – a programme of business to business engagement in which tenants present, in no more than 5 minutes an overview of their business, their skillsets and upcoming projects to their peer group to allow tenants to find out what other businesses do. A number of collaborative business opportunities have emerged through the sessions including:



- SilverChip working with Greater Manchester Police on creating a 'Victim Support' website: [gmvictims.org.uk](http://gmvictims.org.uk)
- Touchsoft working with Manchester City Football Club on an app for the 'City In The Community' education programme
- Brickhouse Production working with JD Sports on video content

**Pitch @ The Palace** – hosted in September 2015 this event (the first outside London) allowed tech businesses from across the North West to pitch to The Duke Of York and business leaders to put forward their ideas with a shortlist of entrepreneurs identified to benefit from connections with potential supporters, including business angels, mentors, and other key business partners, to take ideas forward.



**Hosting third party events** – including the YouTube Manchester Creator Day which was attended by 175 'YouTube content creators' from across the UK, featuring a range of YouTube stars. Such events are aligned with The Sharp Project's wider PR and marketing plan to ensure complementarity.



**Tenant view – Event feedback**

*They do a good job – well planned and organised*

## Summary

The survey findings show that The Sharp Project has established a hub of micro businesses operating in the digital sector. It has appealed to newly launched businesses, those looking for new premises within the city and attracted new business into Greater Manchester. Trading profiles show that tenants are successfully engaged in sub-regional, national and in some case international markets.

Locating at The Sharp Project is believed by many to have contributed to strong performance (as outlined in the next section) with the environment fostering new partnerships and opportunities to explore new areas of work. The presence of like-minded businesses is a significant benefit of locating at the facility and the admissions policy has an important role to play in achieving this. The levels of collaborative working being delivered are an important achievement which shows that the aims of the facility are being realised and that businesses are benefiting as a result.

## Economic Impact and Business Outcomes

This section focuses on the economic impacts – jobs created and associated GVA uplift – identified through the survey work and the capture of data from all The Sharp Project tenants.

### Employment and GVA Impact

A census of all tenants shows that, as of October 2015, a total of 496 jobs were accommodated on site. Taking account of levels of part time employment, this equates to 479.5 full time equivalent (FTE) posts. This level of employment suggests that The Sharp Project supports an annual gross GVA impact of £32.6m, based on the average GVA per FTE in Greater Manchester’s digital sector.

The Sharp Project – Jobs, FTEs and GVA, 2015			
	Jobs	FTE	GVA
Tenant businesses <sup>4</sup>	496	479.5	£32.6m

Source: The Sharp Project Employment Census, 2015

This is a considerable uplift on the employment levels identified in tenant companies at the time of the 2013 impact assessment (+291 jobs). The increase has been supported by three factors:

- the growth of tenant companies;
- the attraction of new occupiers (including a large tenant); and
- the transfer of some production space to permanent tenant use.

Employment levels within tenant businesses range from 1 FTE post to 75 FTE posts.

The GVA impact has also recorded a significant increase, up from £11.7m for tenants and £21.4m in total in 2013. This is due to increases in on-site employment and applying a benchmark for digital activity to more closely reflect activity on site rather than a proxy for the wider creative and digital sector applied in 2013.

Survey results show that since locating at The Sharp Project, 12 of the surveyed businesses have increased their employment levels. When asked to quantify the scale of uplift, businesses identified 25 full time jobs and 9 part time jobs (equating to a total of approximately 29.5 full time FTE posts). The most significant uplifts were one business creating 5 full time and 3 part time posts and two others creating 6 and 5 FTE posts respectively.

In addition to evidence gathered through the survey work, it is known that a further tenant has secured 50 jobs on site (some of which may have transferred from other locations) while an additional 50 apprentices are due to start working with tenants in the near future.

#### Case Study

Degree 53 is one of The Sharp Project’s largest tenants, employing approximately 50 people. It is an award winning digital agency that creates multi-channel websites, mobile apps and bespoke applications for a wide range of clients.

Since launching in 2013, the business has experienced considerable growth:

*“Originally we had only 8 people, we moved to a larger office with 25 people, then once again to an even larger size and now we have 50 people”.*

The ability to secure new premises within The Sharp Project has been an important feature to support the company’s growth:

*“Being able to grow our business within the same building ...is a benefit you don’t really see too often.”*

<sup>4</sup> No assessment of production supported employment has been included in the 2015 report due to significantly reduced levels of production activity since The Space Project opened and incomplete records of production related employment being held

Businesses at The Sharp Project are also supporting a pool of freelance workers. Although not permanent posts that can be assigned to the facility, the employment census found that nine tenants were using freelance staff (estimated at between 15 and 20 people) with arrangements including commitments to provide a set number of days work per month and more flexible arrangements to satisfy peaks in workload and specialist requirements.

### Wider Business Outcomes

Tenants are also experiencing a range of wider business outcomes as a result of locating at The Sharp Project. Survey results show that:

- 100% have increased their productivity;
- 92% have experienced an increase in turnover from within the North West;
- 85% have experienced an increase in turnover from other areas;
- 77% have gained customers or clients at The Sharp Project;
- 77% have developed new products or services.

In cases where businesses were able to quantify the business benefits, they fall within the following ranges:

Quantified benefits ranges			
	Minimum	Maximum	No. of businesses quantifying benefit
Increased turnover in the NW	5%	200%	6
Increased turnover elsewhere	35%	100%	5
Increased productivity	20%	150%	6
New products/services	1	7	5

Source: The Sharp Project Business Survey, 2015

These outcomes have been supported by the development of new business relationships (100% of respondents), strengthened existing business relationships (100%) and/or the expansion of their network of contacts. In addition, 42% have started trading internationally. These are all significant achievements, particularly for micro and early stage businesses.

Importantly, tenants believe that being located at The Sharp Project has helped to secure the identified benefits. All respondents felt that the location had contributed with 42% saying to a great extent and 58% to some extent. Nine respondents believe that if they had not located at The Sharp Project, benefits would have been realised on a smaller scale, over a longer period or a combination of the two.

### Business Growth Prospects

Tenants are optimistic about their growth prospects across a range of indicators. Over the next 12 months, tenant expectations are that:

- 92% will increase staff numbers
- 92% will increase turnover
- 92% will increase profits
- 73% will expand their number of locations

Optimism is also reflected in open responses provided by tenants, a sample of which are provided below to illustrate strong growth prospects.

#### Tenant view – Growth prospects

*In the last year we have taken on an extra 2 members of full-time staff, and over the next 12 months we're looking to grow further.*

*Very high – our expectations and reality match 100%.*

*About to take on a new partnership...business will increase rapidly from around September time.*

All businesses answering the question (9) believe that The Sharp Project will be able to accommodate business needs relating to their growth plans. A requirement for larger premises was however noted by 5 respondents with some concerns that the popularity of The Sharp Project may present a challenge to securing the space businesses need to grow. Overall, 60% of respondents believe that they will remain at The Sharp Project for more than a further 3 years with some of the reasons for doing so outlined below.

#### **Tenant view – Reasons for remaining at The Sharp Project**

*The Sharp Project has helped me build my business and is a great place for us to continue our growth.*

*There is no reason to leave.*

*We're very happy here, and find it a great environment for the business to flourish, and as long as that remains, we're quite settled.*

### **Sector Growth Prospects**

Positivity around business prospects reflects wider confidence in the sector. All respondents say they are very optimistic about the future of the creative and digital industry in Manchester. The feedback provided shows that businesses believe Manchester's prominence in the national economy continues to rise, with some commenting that it now competes with London.

#### **Tenant view – Optimism around the sector's prospects in GM**

*Very optimistic. Almost everyone feels the same. Manchester is one of the most economically growing cities in the UK – it's why we moved here. It's becoming the second London – the BBC moving helped this. People are looking to be here and people are moving here.*

*It's cheaper to live in than London, and with the need of being London-centric decreasing, Manchester is the obvious next Soho/Shoreditch/Camden/Dalton.*

*There is creative talent in Manchester and the council is good at helping to develop and promote the right infrastructure.*

This optimism is supported by sector growth forecasts outlined earlier in this report that show the sector is forecast to out-perform the Greater Manchester economy average over the next 10 years. The Sharp Project, along with other facilities in the sub-region, will play an important role in realising the forecasts.

### **Summary**

On-site employment levels and associated GVA have continued to grow since the 2013 assessment. Tenants have experienced positive recent performance and are optimistic about their future prospects. A wide range of commercial benefits have already been recorded with their scale significant for the small, and in many cases, young nature of the business base. Being located at The Sharp Project is seen to have supported business growth and businesses believe that remaining at the facility will continue to allow them to grow, subject to sufficient space being available to accommodate their needs. Ongoing economic impacts and business benefits associated with The Sharp Project are therefore expected to continue to grow over time.

## Other Strategic Benefits

### Supporting Digital Sector Growth

The Sharp Project has attracted a cluster of digital businesses that otherwise may have located in other parts of the country. The clustering of activity has been seen to generate benefits for tenants and also helps to drive wider growth as businesses explore opportunities to work together and the skilled workforce grows.

The Sharp Project's offer has been developed (and continues to evolve) to ensure that it a) meets business needs and b) complements wider provision. This approach is supporting growth and collaboration to allow the digital sector to continue to expand.

### Raising the City's Profile and Reputation

Manchester's potential as the country's second city for digital activity has long been recognised and The Sharp Project has played an important role alongside other facilities in making this a reality. The strong brand (as considered below) has attracted attention to the city and demonstrated that it is a place where digital businesses can successfully establish, grow and thrive. It is anticipated that the activity of The Sharp Project will continue to grow Manchester's competitive advantage.

### A Strong Brand

The innovative and sector focused nature of The Sharp Project has allowed it to build its profile in the sector, both across Greater Manchester and further afield. With the name trademarked, important steps are being taken to ensure the brand delivers to its potential. Ensuring that new developments, such as The Space Project considered in the next section and future plans, are clearly and publicly associated with the brand will play a role in continuing to attract interest from both incoming businesses and the potential future workforce which goes on to further capitalise on the brand.

### Raising Aspirations

The work of SharpFutures, closely aligned with on-site activity at The Sharp Project is playing an important role in securing social change. In an area where historically high levels of unemployment have been reported, the social enterprise is helping to alert people to career opportunities that are of interest to them, are different to traditional occupations and those typically discussed as part of careers sessions and where there are opportunities to gain practical experience.

As well as nurturing young people, initiatives are helping to show people of all ages how they can get involved in the digital sector. Such activity is raising awareness, building skills and giving individuals greater confidence in topics that can at first appear daunting.

### Driving Regeneration

Development of The Sharp Project has been an outward sign of regeneration in the local area, as have later phases of development, such as The Space Project conversion of the derelict Fujitsu property in West Gorton. Returning long term vacant buildings to active use has demonstrated a commitment to transforming areas. Later phases of development (e.g. build out of Central Park to support further growth of the creative, digital and media sector) will add to regeneration achievements.

By working in partnership with other organisations (for example, through SharpFutures work with local schools, colleges and the National Apprenticeship Service), social and economic regeneration objectives are also being advanced as residents gain skills and employment in the sector.

### Summary

The Sharp Project contributes to wider change than that achieved within the facility. It is playing an important role in supporting sector growth, building Manchester's reputation as a digital centre and achieving wider regeneration objectives for both the physical environment and social and economic considerations.

## The Space Project: Building on The Sharp Project's Success

Opportunities to build on The Sharp Project's success continue to be identified with an early opportunity taken to develop a sister facility called The Space Project. Although it remains very early to assess benefits from The Space Project, as it has only been trading for approximately a year, this section provides an overview of achievements so far, recognising the role that the facility plays in adding to the city's offer to the digital economy.

### The Space Project Offer

Opened in November 2014 at the former Fujitsu works complex on Wenlock Way, West Gorton, The Space Project is a drama hub, specifically designed for the film, TV and drama sub-sector. The facility builds on Manchester's historic strengths in these areas and aims to capture a larger market share.

The £10.6m purpose built facility, funded by the European Regional Development Fund, Homes and Communities Agency and Manchester City Council, comprises:

- Five large scale production stages and required support facilities, including make-up and dressing rooms;
- Production office and workshop space;
- Creative office space for companies providing services to the production sector;
- Events and communal space to encourage businesses to network; and
- On-site secure parking for TV unit base vehicles.

The Space Project builds on high levels of demand identified at The Sharp Project that it was not possible to accommodate in full and is designed to diversify and expand the city's digital economy.

### Activity to Date

Strong demand was identified ahead of the facility opening and a regular stream of enquiries continue to flow. Both permanent tenants who support the production sector and temporary production teams have been attracted. All five stages have reported high levels of demand from clients including BBC, Sky, ITV, Channel 4 and Tiger Aspect.

Productions made at The Space Project over the past year include:

- Cradle to Grave starring Peter Kay for BBC2;
- Mount Pleasant for Sky TV;
- Houdini and Doyle for ITV Encore and Fox in the US; and
- World's End for CBBC.

The Space Project has successfully captured productions that would otherwise have been made outside Manchester and in some instances outside the UK. It has also successfully transferred activity over from The Sharp Project allowing space available there to be used for other uses (see earlier section). A strong pipeline of drama production activity is in place for 2016, including a high level of repeat business.

### Early Benefits

Although it remains very early to assess The Space Project's impacts, there are very promising initial signs. It is estimated that it has already supported the creation of 12.75 full time equivalent jobs on-site and a GVA uplift of £0.46m through direct employment and tenant business growth and the regular programme of production activity is estimated to have supported a further 250 jobs on site with an associated GVA benefit of £9.0m.

A recent tenant survey also found that businesses are enjoying a range of benefits as a result of locating at The Space Project and are optimistic about both their own organisation's and wider sector's prospects. Examples of feedback provided are set out overleaf.

### Tenant view – Benefits of locating at The Space Project

*New opportunities, better office space and a much more professional set up than mediacity where I located from*

*Better all round facilities, canteen and management team that seem to appreciate the problems and solutions of the industry*

*We share a corridor with two production companies who wouldn't have been clients if not for the proximity*

*Supplying most/all filming projects with graphics for their productions and liaising with designers and art directors on the same productions*

*I am very optimistic – more than any other industry. I've not seen another industry grow like this one*

### Future Plans

Like The Sharp Project, strong demand at The Space Project has resulted in future development plans being prepared to build on early success. Phase 2 proposals are currently in development to provide additional capacity for production and related support activity in response to high levels of demand with further development phases to also potentially be considered beyond this. Current phase 2 plans would allow for approximately a further 90,000 sq. ft of floorspace, including a 30,000 sq. ft. stage, and a further 50,000 sq. ft of small business units and workshop/construction space to accommodate continued sector growth and respond to the popularity of The Space Project's offer.



## Conclusions

The Sharp Project continues to play a leading role in the growth of Manchester and Greater Manchester's creative and digital sector. The facility has successfully attracted and retained a wide range of occupiers who directly support the facility's objectives and the sector's growth. High levels of demand for accommodation (with the facility now accommodating over 60 businesses), growing on-site employment and rising levels of campus membership show that the facility responds to the sector's needs and is well respected.

The scale and breadth of benefits reported by tenants are considerable achievements that continue to build on the findings of the 2013 impact assessment. Many businesses are confident that being located at The Sharp Project has supported their growth with the benefits of locating with like-minded businesses who operate in the same sector seen as a key factor in supporting growth. It is further anticipated that the facility will continue to support future expansion with great optimism evident around future growth potential.

Looking beyond the tenant base, The Sharp Project brand is now well-established and the success of the facility has been recognised through a series of awards (e.g. including the British Council for Offices 'most innovative workspace' award and an Enterprising Britain Award under 'improving the business environment' category). A growing profile is playing a role in supporting the sector's growth across the city region.

Development of further phases of The Sharp Project brand, including The Space Project production hub, have been successfully managed to respond to specific sector requirements whilst retaining a clear focus for the original facility. All elements are complementary and are clearly positioned in the marketplace. The success of all phases to date show that the team is alert and responsive to sector needs and is effectively filling gaps in the marketplace for varied elements of the digital sector.

Rejuvenation of the building also continues to display an important outward sign of regeneration. Proposals for further development of the adjacent 1 Central Park will further drive this agenda and support wider growth of the digital and creative sector at the same time. The social focus of SharpFutures and attraction of new employment into the area further support economic development objectives, both within the local area and Manchester wide.

Together, achievements to date demonstrate strong progress towards The Sharp Project's objectives. Taking each in turn, the following assessment can be reached:

**1. Create a new production, digital and creative industries centre in East Manchester by providing 200,000 sq. ft of accommodation and bringing a redundant building back to use.**

This objective had been satisfied at the point of preparing the 2013 impact assessment and the ongoing success of the facility ensures that a productive use is maintained for the building.

**2. Provide the connectivity and power supply that this sector needs to do business.**

The facility has been served by high speed broadband and direct connections since opening, ensuring it can cater for the needs of target tenants in the digital sector.

**3. Support the digital and creative sector's employment growth by assisting 45 businesses per annum (by 2012/13) and accommodating 950 jobs.**

The 2013 assessment showed that 962 jobs had been created or safeguarded, exceeding the target. Whilst this is now a historic target, the number of businesses accommodated by The Sharp Project has continued to grow. The facility now accommodates approximately 60 businesses (up from 54 at the time of the 2013 assessment) and FTE employment in permanent tenant businesses has reached 479.5 posts, up from 205 in 2013.

**4. Attract companies from outside of the region, providing an easy entry to establishing a base in the North West.**

The tenant profile shows that The Sharp Project has successfully attracted businesses from outside the North West, including businesses from overseas that did not previously have a UK base.

**5. Establish a training/mentoring programme for highly talented young people.**

SharpFutures had been established at the time of the 2013 assessment and continues to play an important role in training/mentoring young people to explore career opportunities in the sector and progress their careers in areas of interest with the experience of apprentices showing what people can go on to achieve.

**6. Build on the momentum created by MediaCity:UK to strengthen the region's digital and creative offer and act as a catalyst for private sector investment and development.**

The Sharp Project has established itself as a core element of the region's digital and creative sector offer. By planning provision to ensure complementarity with other provision within the city and elsewhere in the region, the facility continues to strengthen the region's offer to the sector.

Building on the momentum that has been established both at The Sharp Project and The Space Project will support Manchester to continue to push forward as a second hub of digital activity in the UK (to counter the previous dominance of London and the South East) and an important component of the international digital marketplace.