



# Full Business Case

<b>Proposal Name</b>	<i>Buckinghamshire Creates @Pinewood</i>
<b>Proposal Summary</b>	Driving productivity and growth through skills and innovation in the creative industries
<b>Project Sponsor</b>	Sean Mackney (Pro-Vice Chancellor, Bucks New University)

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## 1. Executive summary

The project creates an unrivalled opportunity to progress the Local Industrial Strategy and boost the productivity and growth of businesses in the Creative and Digital Sector at the iconic Pinewood Studios. The project has been significantly developed since its first stage proposal with a stronger strategic proposition and detailed delivery plan. It will create the International Academy for Film Industry University Education that will bring a full suite of 21 new masters and bachelors degree programmes, using industry-standard technologies, to the heart of the film industry in Pinewood, within 3 years, with a new professional higher education work-learning centre. The initiative is delivered through a unique partnership which combines the expertise and 126-year history in professional creative industries education of Bucks New University, the top-rated University for teaching and student experience in London<sup>1</sup>, with the industry training experience and unrivalled film-networks of Creative Media Skills. It will accelerate high growth companies and fill skills gaps that industry research shows is holding back sector productivity. It creates significant GVA, jobs and international export earnings, and will inspire young people in Buckinghamshire, through engagement activities, to work and learn in the heart of the UK film industry.

The Project has the following strategic aims:

1. to boost the growth and productivity of the film industry in Buckinghamshire through meeting the higher-level skills needs of businesses in that fast-growing sector
2. to use ready availability of the best skilled professionals for the film industry to attract inward investors to Buckinghamshire, accelerating the growth of a priority business cluster
3. to create in Buckinghamshire the leading provider of higher education for the film industry in the UK, producing work-ready graduates through inspirational, experiential education and training delivered in iconic studio locations in the UK
4. to create 33 new jobs, £76,770k (total spend x £3) in GDP growth<sup>7</sup> within 5 years, through pump priming a new educational business producing and sustaining an annual turnover of £10m per annum by the end of the project
5. to refurbish 520 sqm of space within the Pinewood Studios site to provide sector-relevant education to 1435 learners at levels 4,5,6 and 7
6. to create new capital assets in the form of 21 new high-quality degree and postgraduate courses to meet skills shortage needs of the film sector using industry standard technologies and exploit their value through delivering them to UK and international students seeking to develop professional careers in the UK film industry
7. to support the international export of educational services by Buckinghamshire New University earning £2,766k from sales to international students

It will do this through:

1. Developing 21 new higher education courses, with film industry employers, meeting the needs of businesses in the film industry cluster at Pinewood by producing graduate and postgraduate qualified workers who take jobs in the Buckinghamshire creative economy

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<sup>1</sup> Good University Guide, 2019.

2. Purchasing the latest capital equipment necessary to provide courses that film industry employers recognise as training students using industry standard technologies
3. Creating a new Professional & Higher Education Centre on the Pinewood Studios site at Iver Heath through refurbishing existing spaces not currently fit for purpose
4. Establishing a Degree Apprenticeship Training Agency and a Degree Apprenticeship portfolio for the film industry at Pinewood, as employers define their needs through Apprenticeship Standards
5. Conducting a feasibility study into the establishment of a sister facility in iconic studios in either China, Canada or the USA in year 5 of the project

UK research from the BFI<sup>2</sup> and regional research from the BTVLEP<sup>3</sup> evidence the need for this provision to meet skills shortages that threaten to choke off the growth of the creative industries sector in Buckinghamshire and the wider London and the South East. This is endorsed by employers at the Pinewood site the national sector body and the Minister of State for the Creative Industries.<sup>4</sup>

The project attracts 51% (£1.712m) co-investment on both capital and revenue from private sector and university investors to match a BTVLEP capital investment of £1645m. It will be sustained beyond the initial period through customer revenues in UK and international student fees, as core business for the University, providing an ongoing supply of skilled professionals to the film industry. The NPV of the proposal is £1,467k.

The partners have conducted a proof of concept test with three courses that have recruited well in 2018-19, with customer demand for the next October 2019 run from the UK and internationally, providing confidence in the business plan. It has a robust plan in place, managed by APM/PRINCE2 qualified staff.

The full business case attached follows Treasury Green Book conventions and sets out the strategic, economic, commercial, financial and management case for this initiative. It demonstrates the extremely strong alignment to BTVLEP and wider Government Strategy, the reasons for market failure requiring public support and how the initiative is both economically viable and sustainable in the longer-term without public support. It sets out our realistic commercial approach, and the way that capital investment will lever significant revenue and capital investment from partners and private individuals. The partners have used established costing and pricing protocols to arrive at realistic revenue projections based on our extensive previous experience in initiatives of this kind. A serious consideration of alternative options for delivery of the project is provided, together with detailed project plans, a full risk management framework and details of the benefits that will be realised for multiple stakeholders. The University and CMS stand ready to begin implementation on approval with capital expenditure front loaded across the project period.

This is an ambitious and game-changing development for Buckinghamshire, its creative economy and its citizens, which will set the standard for future developments in other countries.

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<sup>2</sup> British Film Industry, *Future Film Skills: An Action Plan – Investing in World Class Skills to Ensure Future Success*, 2017

<sup>3</sup> BTVLEP, *Draft Local Industrial Strategy*, 2018

<sup>4</sup> See letters of support from Pinewood Studios, BFI, Margot James MP - Appendix 4 - Letters of support

## 2. Strategic case

### 2.1 Introduction

The strategic case demonstrates why public investment will address market failure in meeting the skills needs of the film industry and how the project is strongly aligned to BTVLEP economic strategy, Local Industrial Strategy and wider regional and national priorities. It details the aims of the project and SMART objectives to achieve them, with clarity over the range of beneficiaries and benefits, both directly and through positive externalities.

#### 2.1.1 Evidence of need: Tackling market failure

This project is focused on supporting the growth and productivity of creative industries businesses in the film economy cluster in Buckinghamshire. There is market failure requiring public sector support for the following reasons:

- The speed of growth in the film industry at Pinewood and the South East more widely is creating a mismatch of supply and demand of high-level skills with employers reporting skills shortages and, through having to hire staff who are not fully work ready, skills gaps.
- Skills shortages are exacerbated by the failure of suppliers of higher education and skills training to deliver programmes attuned to the needs of a fast-moving industry. Universities have operated delivery models that are not agile enough and their business models require scale and standardisation to be profitable, often requiring the learners to learn entirely on a university campus but not in the location where they might learn best, at the heart of a film business cluster, or engaged with the organisations where they will learn most, on real life projects for businesses in the film industry. Staff are often unwilling to deliver in locations other than their own university, making agility difficult to achieve. Furthermore, the impacts of technology on the film industry, mean that employers want staff able to use the latest industry standard technologies, whereas much university education will struggle to keep pace with such capital investment costs which can be prohibitive.
- The costs for HE providers to adapt their provision to a flexible, work-ready mode, delivered where the businesses are, and working using the latest industry standard technologies, prevent them developing the sort of provision the British Film Industry is calling out for. The price such universities can charge for undergraduate provision is regulated by government, so price cannot be increased in response to the costs of delivery.
- This project uses public investment in technologies, the creation of fit-for-purpose learning programmes, and a higher education facility in the heart of the Pinewood business cluster, to tackle these market failures and pump prime this project to supply the skills the industry needs.
- Innovation in the business model, through developing the international and postgraduate markets (where fees are unregulated and so can rise with demand), creating degree apprenticeship provision and services (which are funded through a hypothecated tax rather than fees), and developing relationships with industry partners that may loan capital equipment, together with economies of scale after the initial growth and development period, will sustain the programme delivery and future capital investment without the need for further public subsidy in the medium term.

### 2.1.2 Evidence of need: The needs of the film industry in the UK and Buckinghamshire

The need for the project is clearly defined by independent sector research into the film and creative industries sectors.

The UK film industry represents a significant opportunity for the University. The British Film Industry found in 2017 ('Future Film Skills – an Action Plan', BFI, 2017) that the industry employs a workforce that is highly educated, based largely around London, and the South East and is growing rapidly.

*The film industry employs 66,000 workers in the UK and over 70% of these are employed in film and video production. The workforce is characterised as freelance, highly skilled, and heavily London-centric – with around 50% self-employed, over 75% qualified to degree level or above and 65 % of the production workforce located in London and the south east.*

*In line with growth in output, there has been a rapid expansion in the numbers of people working in the screen industries. Between 2009 and 2013, employment in the core UK film sector grew by 21.6%, far outpacing the economy-wide increase of just 3.0%. Some parts of the sector such as visual effects (VFX) have seen an explosion in the workforce, as the UK has cemented its position as a global centre for specialist talent and capabilities. But as the industry continues to grow, so too does the demand for labour, putting considerable pressure on the market for skills. If UK film continues to grow at the same pace seen over the past five years, this could amount to a need for over 10,000 new entrants to the sector by 2020, or 25,000 people when also accounting for churn.*

Of the 59,400 learners in higher education in the UK in relevant specialist disciplines (Arts and Culture, Media, Communications; Film Studies; Cinematography; Performing Arts; Production; Writing; Make up and Costume; Games; Visual Effects and Animation) the BFI estimates that 40% are on 'non-vocational' programmes, and, it argues, fail to deliver to the needs of the industry. The majority of specialist provision in film production and 'moving image techniques' is in London, providing opportunities at postgraduate level at Pinewood, but interestingly in visual and audio effects, 25% of learners at HE level study in the South West, suggesting under-supply where the industry is located. The BFI's survey of employers found that employers felt current higher education provision 'failed to equip learners with the skills they need to be successful in the industry' and that there was insufficient understanding of the full range of roles available within the 'business of film'.

The BFI Action Plan calls for action to tackle inclusion, citing figures that only 12% of the film workforce is from a less advantaged background (against 34% in all sectors), between 3 and 8% with a BAME background (against 13% of the UK workforce) and just 5% having a disability (against 11%).

Bucks is a vocational institution with a focus on courses which set students on a clear path to skilled employment. It is also 'widening participation' University with 58 % of students coming from target groups. Bucks is well placed to address this agenda.

Furthermore the Creative Industries Council, a joint forum between the creative industries and government, in their 5-year plan<sup>5</sup> states that -

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<sup>5</sup> A Creative Industries Council Strategy for Cross Industry Collaboration - <http://www.thecreativeindustries.co.uk/media/367095/final-version-july-5.pdf>

*In order to raise productivity and remain competitive, the UK creative industries need to up their game on skills. It is vital to have an education and careers system that inspires, equips and nurtures current and future generations to work in the creative industries and the broader creative economy.*

It recommends that –

*Local structures, like LEPs, City Deals and Local & Combined Authorities, should be collaborating with and through the CIC to mutually inform and connect nation-wide schemes with local/ regional skills strategies and projects for maximum impact, better use of resources and simpler communication with companies and individuals. By working with employers, education and skills providers and government, the CIC believes there is an opportunity to build on existing initiatives and create new ones.*

And that HEIs –

*Develop capacity and excellence of HEIs in key creative industries local clusters by nurturing industry/HE strategic partnerships for teaching, research and enterprise development.*

Creative and Cultural Industries (CCI) play a vital role in boosting economic growth in the UK, and as a sector is growing at a rate of 8.9% per year (CIC 2016). Office for National Statistics data (referenced in Creative Nation, NESTA, 2018) shows that employment in CCI grew faster than other sectors in 67% of travel to work areas (TTWA), and the numbers of creative businesses in median TTWAs grew by 12% between 2013 and 2016. The Creative Industries contributed £101.5bn to the UK economy in 2017, an increase of 53.1% since 2010 (£66.3bn).<sup>6</sup>

Within the BTVLEP area, CCI are similarly strong and identified as a priority sector. The creative industries sector also provides for significant export potential internationally, with 9% of UK exports being attributed to the CCI sector, with IT, software and games, film and TV and publishing as the largest areas. Within Buckinghamshire, Pinewood represents the largest and most significant creative industries cluster, supporting the booming growth in film, TV, visual effects and animation. Employment in Creative Industries in the BTVLEP area has grown by 14% in the period 2010-2016, with South Bucks, where Pinewood is located, seeing an additional 1255 jobs created over six years, 33% of the regional total.

If creative industries businesses in Buckinghamshire are to capitalise on their full growth potential they will require a ready supply of highly qualified staff. Recent research (Future Film Skills – An Action Plan, BFI, 2017) warns that if the workforce needs of these firms are not met, these skills shortages will restrict their ability to grow. It highlights six ‘critical factors to address’ if the future potential of the film industry is to be realized: ‘attract and cultivate entrants; enhance provision; drive inclusion; build bridges; and support this project can address all of these requirements and meet these wider strategic needs of the sector in Buckinghamshire and the UK.

## **2.2 Organisational overview: Organisational strengths and the importance of Place**

The Project is delivered by a unique partnership between Buckinghamshire New University and Creative Media Skills Group to create the leading provider of higher education for the film industry from the iconic Pinewood Studios location within ten years.

*Buckinghamshire New University (Bucks)*



The University has a 126 history of providing high quality, vocational programmes in art, design, performance, media and the creative industries, and is ranked top university in London for the quality of its teaching and for the student experience. It has expertise in VR, AR, film and TV production, product design, fashion design, design engineering, sound engineering, gaming, animation and outside broadcasting. Its degree apprenticeship provision already includes digital software professionals, management, leadership, and project management.

All its programmes involve strong industry connections, current professional networks and assignments and educators with expertise and experience from professional practice as well as academia, many of whom are current practitioners. It currently provides apprenticeships for Sky, delivers BBC Introduces and produces the club TV channel for Watford FC. With campuses in High Wycombe, Uxbridge and Aylesbury, and with over 10,000 registered learners, Bucks is an anchor institution for the local community and economy, making a major economic contribution within Buckinghamshire. The University has strong links with business and employers, particularly via a close relationship with Bucks Business First which is co-located on the High Wycombe campus.

### *Creative Media Skills*

Creative Media Skills is the leading media and film education company in the UK, developing skills provision to meet the needs of the international film industry. CMS works closely with the industry and production companies in developing and providing targeted training requirements for screen production and support professionals in acquiring qualification at bachelor and Masters levels. Located in the iconic Pinewood Studios and informed by unparalleled access to leading firms in the film industry, CMS is the trusted platform for top UK screen professionals to pass on their years of experience and knowledge to the next generation of crew in an internationally renowned inspirational setting. Courses and curriculums combine classroom study and hands-on, pragmatic workshops with direct instruction from award winning screen industry professionals to ensure students are industry ready. Being located in Pinewood Studios, CMS can ensure that each and every training opportunity is unique, state of the art and world class. This unique positioning combined with strong working relationships with many companies and organisations (such as the Production Guild of Great Britain, Film Designers Guild, Guild of British Cinematographers, Pinewood Tech Hub and Optimize 3D, Pinewood Sound and Sony) provides students with unparalleled career and networking opportunities.

Since 2012 CMS, has provided short courses in a range of vocational skills required in the film industry and has worked closely with the BFI and screenskills (formerly creative Skillset) to deliver training programmes on their behalf across the UK to respond to government identified needs. CMS offers a range of courses from workshops, short courses to delivery on Masters level qualifications.

### *Pinewood Studios - the importance of Place*

Pinewood Studios is a globally-significant iconic film location, home to over 250 independent businesses, and providing expertise, equipment and support to the film, television, video games, advertising and photographic industries. The 50-acre site managed by Pinewood Studios is home to

some of the leading global brands and with plans to expand via an additional 100-acre site to the north east of the current studio lot, the business cluster at Pinewood is set to grow further, providing a major opportunity for Buckinghamshire to extend its national and international business expansion.

Forthcoming infrastructure developments including the Crossrail station at Iver with late night fast services into central London, and Creative Quarter plans at High Wycombe, also provide excellent foundations for Pinewood to be a catalyst for new and growing highly innovative creative content and technology companies, all of which require graduate level specialist employees.

In addition to the business expansion potential, Pinewood is a major draw for young people both regionally, nationally and internationally, with over 1500 registering for its skills and careers open day earlier in 2018. There is an enormous opportunity to unlock the potential of Pinewood as a magnet for both fast growth innovative businesses and young people seeking high skill work in the film industry – connecting the two together to the benefit of both.

Outside the UK, Pinewood Studios has similar studio hubs in Atlanta, Toronto, Malaysia and the Dominican Republic. Plans are now underway for a large studio in China. There is the chance to make Buckinghamshire a node in an international network of film industry high tech creative businesses.

### *Buckinghamshire Creates @ Pinewood*

Recognising the potential for combining the location of Pinewood Studios and the strengths of the two organisations to provide a unique higher education offer, the University and CMS began collaborating in 2018. Buckinghamshire Creates @ Pinewood will be the leading provider of higher education for the film industry, delivered in iconic studio locations in the UK and around the world.

## **2.3 Strategy and programme investment aims**

The Project has the following strategic aims:

8. to boost the growth and productivity of the film industry in Buckinghamshire through meeting the higher-level skills needs of businesses in that fast-growing sector
9. to use ready availability of the best skilled professionals for the film industry to attract inward investors to Buckinghamshire, accelerating the growth of a priority business cluster
10. to create in Buckinghamshire the leading provider of higher education for the film industry in the UK, producing work-ready graduates through inspirational, experiential education and training delivered in iconic studio locations in the UK
11. to create 33 new jobs, £76,770k (total spend x model multiplier of £3) in GDP growth<sup>7</sup> within 5 years, through pump priming a new educational business producing and sustaining an annual turnover of £10m per annum by the end of the project

12. to refurbish 520 sq metres of space within the Pinewood Studios site to provide sector-relevant education to 1435 learners at levels 4,5,6 and 7
13. to create new capital assets in the form of 21 new high-quality degree and postgraduate courses to meet skills shortage needs of the film sector using industry standard technologies and exploit their value through delivering them to UK and international students seeking to develop professional careers in the UK film industry
14. to support the international export of educational services by Buckinghamshire New University earning £2766 from sales to international students

## 2.4 Merit goods and positive externalities

In addition to these benefits that contribute directly to the economy of the BTVLEP area the Project will produce a number of merit goods which in turn produce the following positive externalities:

There are a number of social groups under-represented within the UK film industry. Bucks New University has a track record in successfully recruiting learners from such backgrounds. The Project is therefore likely to **improve social mobility and increase equality**, through increasing employment of people from these backgrounds within the Creative Industries. Schools outreach work and participation in open days run by Pinewood Studios will increase opportunities for citizens from areas of multiple deprivation and low participation in higher education.

Local authorities in Buckinghamshire have expressed concern at the lack of opportunity for the young people of the region, leading to net outflows of young people to other regions of the UK, most notably London. Through the creation of inspiring education leading to high skill employment in the rapidly expanding creative industries sector, the Project will support local opportunity for young people and community cohesion. Furthermore, any growth in higher education within the BTVLEP has been shown to produce positive externalities beyond private benefits to the consumer with graduate citizens having better health, better educated children, being more active citizens, less likely to commit domestic violence or express racist or sexist views<sup>6</sup>

Universities are conventionally regarded as essential elements of Regional Innovation Systems, where connections between knowledge generation and knowledge exploitation serves to support interactive learning through knowledge networks with businesses and individuals. The University, through work with employers across the region and its multiple physical locations across the BTVLEP area (Uxbridge, Aylesbury, High Wycombe, and now Pinewood) is well placed to support **faster innovation diffusion** across the region. It has begun building incubation and innovation facilities in health-tech and digi-tech and hosts the Buckinghamshire Business First business support and membership organisation, with which it works closely.

## 2.5 Objectives

The Project will achieve these strategic aims through pursuit of the following strategic objectives

1. To develop, between 2019 and 2021, 20 new higher education courses, with film industry employers, meeting the needs of businesses in the film industry cluster at Pinewood by

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<sup>6</sup> HEFCE, 'The Wider Benefits of Higher Education', HEFCE, 2002.

- producing graduate and postgraduate qualified workers who take jobs in the Buckinghamshire creative economy from November 2019 onwards
2. To purchase by December 2019, the latest capital equipment necessary to provide courses that film industry employers recognise as training students using industry standard technologies
  3. To create a new Film Industry Centre for University Education on the Pinewood Studios site at Iver Heath through refurbishing existing spaces not currently fit for purpose in two phases, Jan-March 2019 and April- September 2019
  4. To establish a Degree Apprenticeship Training Agency and a Degree Apprenticeship portfolio for the film industry at Pinewood, as employers define their needs through Apprenticeship Standards, by June 2021
  5. To conduct a feasibility study into the establishment of a sister facility in iconic studios in either China, Canada or the USA in year 5 of the project, by January 2022.

## 2.6 Benefits

### 2.6.1 Economic benefits

The project will deliver £76,770k GDP growth within Buckinghamshire within 5 years

Economic assets in the form of fit-for-purpose course specifications and materials will be created in 20 occupational skills shortage areas in the film industry

### 2.6.2 Business benefits

Business within the Pinewood Studios cluster will experience higher growth and improved productivity through the supply of graduate and postgraduate-skilled labour to meet skills shortages

Education-focused businesses, Bucks New University and CMS Group will grow revenues, including a projected £X in export income

### 2.6.3 Employment benefits

Creation of 33 jobs within Buckinghamshire within the higher education and training sector

1435 Graduates from creative industries, business, law, finance and computing will gain the right skills to find employment within Buckinghamshire

### 2.6.4 Buckinghamshire learner benefits

1500 young people in Buckinghamshire are inspired to seek work and higher education within the creative industries or film sector

1435 learners will study within Buckinghamshire at undergraduate and postgraduate levels

### 2.6.5 Societal benefits

Equality of opportunity is promoted within the film industry, improving the representation of under-represented groups employed within the film industry Increased.

## 2.7 Contribution to the BTVLEP objectives

### 2.7.1 HM Government National Industrial Strategy

This Project makes a strong contribution to the National Industrial Strategy Grand Challenges. It delivers on three of the foundations of a prosperous economy with a transformative project for the creative industries: it creates new **Ideas**; through connecting innovators and researchers with industry to exchange knowledge; it develops **people**, that are essential to productivity, through creating a large pool of high skilled labour to support the growth of the creative industries in the UK; and it supports the creation of **places**, by focusing on an iconic location, Pinewood Studios, that is one of the UK's leading centres for the burgeoning UK film industry.

At the centre of this proposal is **data** with the data revolution in creative media seeing the convergence of film, sound, gaming, animation and VFX in the creation of new platforms and products that will increasingly personalize our creative experiences as artificial intelligence begins to impact on the film industry and wider cultural and creative industries. Through ensuring new higher education provision is both delivered at the heart of a business cluster, and is informed by the cutting edge of industry practice and technologies, the Project will ensure the workforce for film is fit for the future.

### 2.7.2 BTVLEP Strategic Economic Plan

The Project is designed to make a strong contribution to delivery of the BTVLEP Strategic Economic Plan<sup>7</sup>. The Plan defines four objectives, two of which this project makes a major contribution to: Business growth and innovation; and Skills and Talent (para 5.2).

Business growth and innovation prioritises the creative industries, specifically film, digital media and games development sectors, and the growth of high value firms in the economy.

'Skills and Talent' prioritises 'promoting a skills system that is more responsive to the needs of local employers; Providing a reference point for future skills needs: to keep abreast of the innovation and skills needs of the future to support the sector with help with innovation including plans for capital investment; improving the work readiness of young people; and continuing to develop the number and range of apprenticeship opportunities within Buckinghamshire, with a particular focus on developing 'a wider range of opportunities at Advanced and Higher apprenticeship levels' (para 7.1)

The strategy goes on to state that 'We know we atrophy undergraduate talent and that 'our graduate retention/entrepreneurship policies would benefit from being strengthened'. It adds that 'Investment in these elements of our skills system are vital, if we are to improve the number of High Growth Firms we generate in Buckinghamshire and those we can assist to scale up.' (para 7.5)

For the period to 2020 its refreshed strategic priorities for skills and talent include: 'Delivering high quality STEAM inspiration activities'; 'Establishing enhanced work-based qualifications especially at levels 4 and 5'; 'Establishing systems to improve the articulation and aggregation of employer skills needs'; 'Improving the provision of student placements and projects in business'; 'Identifying strategic firms interested in establishing new partnerships to provide degree or undergraduate provision in current gaps'; and 'Place making – making Bucks and attractive place to study.' (para 7.6)

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<sup>7</sup> BTVLEP, *Building conditions for sustainable economic growth in the entrepreneurial heart of Britain*, 2016.

It identifies 'the expansion of Pinewood Studios' as a key strategic opportunity (para 4.10) to support

### **Buckinghamshire Local Industrial Strategy**

The draft Local Industrial Strategy<sup>8</sup> will implement the Government's national industrial strategy<sup>9</sup> within the BTVLEP region. It states its intention 'to exploit our iconic business brands and locations...to increase the economic output of the county, improve the financial outlook for our business base and contribute to tackling Britain's productivity challenge' (p4) The LIS focuses on capitalising on 'internationally significant assets' and sectors, with Pinewood Film Studios and the Creative and Digital sector prioritised. It states the intention 'to develop improved linkages with the education institutions to produce a greater supply of a high skilled workforce needed by this global business that has been identified as a barrier to investment from major studios and by the Bazalgette Review of the Creative Sector.' (p6).

The Strategy goes on to identify 'Creative and Digital Centred around Pinewood...' (p13) as one of only five foci for the region, proposing to boost productivity through support for ideas, people, place and business environment.

## **2.8 Contribution to wider strategies**

This project, and the partnership, also supports the goals of the Oxford-Cambridge Arc, through making a major contribution to two of its three priorities: 'placemaking', and 'productivity'. Buckinghamshire New University is one of the founding members of the ten-strong Oxford-Cambridge Arc Universities Group, and is committed to help realise the vision for an economy and community built on high skill, high productivity businesses. This project leverages the strategic potential of Pinewood in that Arc-placemaking approach, so that the Arc can be a globally-significant cluster in the creative industries as well as other economic areas.

In addressing the high-skill skills shortages of the film industry, the Project delivers against the requirements of the British Film Industry's *Future Film Skills – An Action Plan* as set out in detail above at paragraph 2.1.2.

## **2.9 Impact on protected characteristics**

A full Equality Impact Assessment will be carried out at the start of the project. There are no anticipated negative impacts against people protected characteristics but there will be a focus on ensuring accessibility to the facility for disabled students and targeted promotion of the educational programme to under-represented groups as part of the wider widening participation in higher education agenda. The UK film industry has a lower proportion of BAME and disabled employees than the economy as a whole and Bucks New University's experience as a leading provider of higher education for students from under-represented groups means that it is well placed to support this wider benefit. It is recognised that a Higher Education provision may appeal more to young people however the offer is open to all and a wider group will be expected to apply across post-graduate and

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<sup>8</sup> BTVLEP, *Buckinghamshire Local Industrial Strategy*, Buckinghamshire, 2018.

<sup>9</sup> HM Government, *Industrial Strategy – Building a Britain fit for the future*, HMO, London, 2017

upskilling courses. The initial impact assessment expectations are consistent with the overall aims of the project.

## 2.10 Constraints

Constraints within this project are:

- Sufficient funding to complete the construction work and purchase the equipment necessary to deliver the courses.
- Sufficient space to deliver the courses at Pinewood and negotiating a lease with relevant terms and conditions
- Securing a construction partner who can complete all construction and refurbishment on time and to cost
- Contractual arrangements between nominated parties at Bucks New University, CMS and Pinewood
- Number of potential employees to deliver the courses with the appropriate skills and experience
- The procedures and processes by which courses are developed
- The number and interest levels of prospective students

## 2.11 Scope statement

This project will consist of Bucks New University supporting the growth in film, TV, visual effects and animation by creating and delivering (in collaboration with CMS), a portfolio of courses targeted at developing new talent and upskilling existing staff. Whilst this project forms part of a ten-year vision it will be completed in phases by the end of September 2019 where-upon all construction and core course development will have been undertaken. Continuing from that point will be a series of demand led course developments and business as usual delivery in line with the longer-term vision.

The total cost of the project is projected as £3.357m with the bulk of the expenditure in the initial, twelve-month period to cover construction, refurbishment and equipment costs. The project is front loaded on expenditure with income being generated across subsequent years.

The project aims to provide high quality, industry led education which meets employer demand and leads to eliminating the skills shortages in these sectors.

## 2.12 Dependencies

The project outcomes are contingent on the combined delivery of the building as a functional learning space, to drive growth and the University academic community to contribute to skills development and Knowledge Exchange within the Creative Industry sector.

As such the University must:

- Secure sufficient funding to deliver the project
- Identify and secure sufficient and appropriate space to deliver the courses at Pinewood

- Develop and agree the contractual documentation between all interested parties which provides for and meets all regulatory demands
- Negotiate an appropriate leasing arrangement
- Secure a construction partner who can complete all construction and refurbishment on time and to cost
- Identify and successfully recruit staff to deliver the courses
- Recruit and retain sufficient students to meet the projected intakes and incomes across the lifespan of the project.

### 3. Economic case

An impact assessment has been carried out by BFI as subject matter experts in this specialist field. This was considered the only true way to get an impartial view of the feasibility and desirability of the project and as a justification of the investment.

#### 3.1 Long-list and shortlisted options

Long-list	
	<ol style="list-style-type: none"> <li>1. Bucks refurbish wing for training in High Wycombe Campus</li> <li>2. <i>Buckinghamshire Creates @ Pinewood</i></li> <li>3. 'Do nothing'</li> </ol>

##### 3.1.1 Option 3: 'Do nothing' option

The "do nothing" option has not been short-listed. If this were pursued, there would be significant GVA lost for Buckinghamshire and the growth of the creative industries at Pinewood may stall as it has in Aylesbury. Employers would continue to report skills shortages and skills gaps and the reporting of this would discourage the inward investment by new companies to Buckinghamshire, as they preferred other locations with a better supply of highly skilled labour. This funding application provides the opportunity to significantly increase industrially-relevant training capacity as advocated by the BFI. This opportunity would be forgone.

The 2018 NESTA report on the creative industries identifies a large pool of young people interested in working within the creative industries but reports a shortage in quality HE provision where students and apprentices can get an academic experience in a vocational industry-setting. Without the increased provision nearly 1500 learners would miss out on the opportunity to study in Buckinghamshire, and no strategic contribution would be made to the BTVLEP local industrial strategy agenda. It is possible that the University and CMS may develop some limited provision, but the capital investment required to deliver the game-changing impact for the region that the Project would produce, is not something either organisation could stretch to at the currently moment.

Two further options were identified for the HE Training around Pinewood Studios and were assessed using strong appraisal and assumption methodology.

Shortlist	
Option 1	1. Bucks refurbish wing for Training in High Wycombe Campus
Option 2	2. <i>Buckinghamshire Creates @ Pinewood</i>



### 3.1.2 Option 1: Bucks refurbish wing for training in High Wycombe campus

#### *New purpose refurbished training facility located on Buckinghamshire New University campus*

Bucks would refurbish one of its building wings on its High Wycombe campus with a specific focus on the creative industries provision with new equipment and course delivery. This new wing would become the main entrance/focal point of the Creative Industry HE offer and will have links with Pinewood Studios on a service provider contract basis. The proposed location would occupy one of the floors and would have access to all University facilities for the benefit of both staff and students. Joint working opportunities would be possible although through multi-site travel for students and staff using placements or site visits potentially with the relationship with Pinewood and CMS.

The Bucks High Wycombe Campus is situated 10 miles away from Pinewood Studios. It is well served by public transport with good bus links and three train stations to allow for students

This project would be led by Bucks who would make a capital expenditure application to deliver the objectives.

### 3.1.3 Option 2: *Buckinghamshire Creates @ Pinewood*

#### *Lease and refurbishment of space with CMS at the Pinewood Studios site with campus development at the Buckinghamshire New University site*

This option would utilise a site on Pinewood Studios by repurposing an existing facility that currently stands empty. This site is in the heart of the Pinewood Studios close to the filming facilities and is well served by public transport with good rail links and train stations. CMS have been developing proposals for this site independently of Bucks, but this project proposal would mean that the expansion to accommodate 600 students would be made possible.

This option looks to refurbish and kit the existing building and create a site to develop a new suite of higher education training facilities to accommodate 8 classrooms and working labs; a video recording studio; a library; “one stop shop”; the Registrar and student support.

The site has been evaluated as the most suitable future location of Buckinghamshire Creative @ Pinewood premises due to its proximity to the existing services, all of which are in the Studios. This development would improve joint working between the Bucks students and the creative media stakeholders.

The University would need to have premises at Pinewood that it leases directly, in partnership with CMS, so that in the event of CMS changing direction, the University is able to honour its commitment to students to study at the Pinewood Studios – a key part of the USP for this provision. A directly leased base at Pinewood would also be required to enable the University to recruit international students to these programmes. The University would lease a small site of approximately 150m<sup>2</sup> that will serve as the University’s ‘Postgraduate and Professional Centre’ which postgraduate and third year students will use as a base.

This option would provide an independent base for University staff to teach at Pinewood and a learning centre for students whilst at the Studios. A creative professional work environment, akin to many London-based serviced offices for creative freelancers, would be created, to support the transition of UG and PG learners into creative employment and the development of their identity as creative professionals.



*Illustrative images*

In addition, under this option capital investment will be made to procure industry-standard technologies and equipment. This is important for the commercial strategy of the project as it will ensure that learners learn on the same equipment they will use in their careers, enabling them to hit the ground running in employment, on graduation. This will further serve to differentiate the provision in this Project from that in other parts of the country, ensuring the Project recruits to target in terms of student numbers on programmes. Capital investment will be in the following areas:

- Audio-visual production
- Outside broadcast
- Makeup and prosthetics
- Costume design
- Wig making
- Production set design
- Model making and animation
- Screening area
- Professional learning and study environment
- Software and computer hardware

The University Technical Services Team will ensure that equipment is kept serviced and functioning, so that the assets are always in use and their value through their application within the 21 degree programmes is maximised.

## 3.2 Benefits and weaknesses

The benefits and weaknesses of each option are as follows:

### 3.2.1 Option 1: Bucks refurbish wing for training in High Wycombe Campus

*New purpose refurbished training facility located on Buckinghamshire New University site*

<b>Benefits</b>	<ol style="list-style-type: none"> <li>1. Good educational links to University</li> <li>2. Availability of wide range of University facilities</li> <li>3. Large potential pool of students for postgraduate courses</li> <li>4. Lower costs</li> </ol>
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<b>Weaknesses</b>	<ol style="list-style-type: none"> <li>1. Less realistic as a work experience</li> <li>2. Timescale for opening is potentially longer due to more extensive refurbishment and site disruption, delaying filling of skills gaps</li> <li>3. Slightly less acceptable/accessible to vested stakeholder who are not students</li> <li>4. Traditional style of delivery and location</li> <li>5. Graduates not trained on industry-standard equipment</li> </ol>
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### 3.2.2 Option 2: *Buckinghamshire Creates @ Pinewood*

#### *New lease as part of a new partnership with CMS on Pinewood Studios site*

<b>Benefits</b>	<ol style="list-style-type: none"> <li>1. Co-location with Pinewood Studios facilities</li> <li>2. More attractive USP to potential students</li> <li>3. On site education provision to existing employees looking for progression courses</li> <li>4. Improved opportunities for multi-sector working</li> <li>5. More central location widening the impact pool</li> <li>6. Accelerates improvements to facilities through collaboration at Pinewood Studios</li> <li>7. No requirement to purchase land for training facilities</li> <li>8. Graduates trained on industry-standard equipment</li> </ol>
<b>Weaknesses</b>	<ol style="list-style-type: none"> <li>1. Link to Bucks is less distinct as on southern border</li> <li>2. Timescale is shorter to deliver</li> <li>3. Remote teaching from main base</li> <li>4. Multi-site delivery model</li> </ol>

## 3.3 Economic appraisal of shortlisted options

To assist in the process of financial appraisal, Bucks employed Bucks Business First (BBF) to appraise the financial costs of each option. The BBF's opinion concluded that option 2 provides significantly better value for money when comparing total costs and benefits for driving income. For the purposes of comparison, option 1 includes costs for a separate HE development in Pinewood.

### 3.3.1 Capital cost

The capital costs of the two options are as follows:

<b>Option 1: Bucks refurbish wing for Training in High Wycombe Campus</b> <i>New purpose refurbished training facility located on Buckinghamshire New University site</i>	£2,985,000
<b>Option 2: <i>Buckinghamshire Creates @ Pinewood</i></b> <i>New lease as part of a new partnership with CMS on Pinewood Studios site</i>	£3,357,000

All costs are robust estimates, with capital costs subject to confirmation through competitive tendering with the inclusion of an optimism bias methodology in the financial case and the provision of a contingency allowance.

#### External assessment

BBF provided an independent recommendation upon presentation of the options, that we pursue the negotiation of Option 2. In their opinion this is the lowest cost option in terms of cost per square metre, is less costly than purely developing facilities in the Bucks campus providing the best outcome. BBF has also undertaken a value for money analysis and has confirmed the costs for the Pinewood Location option are within an acceptable cost per sq m range in terms of current construction costs.

### 3.4 Main options

#### 3.4.1 Option 1: Refurbish at Buckinghamshire New University

Year	0	1	2	3	4	5
Option A (£)						
Cost	-2,985,000					
Cash Flow		-4,892	75,001	518,161	943,921	1,218,285
Net Cash Flow		-4,892	75,001	518,161	943,921	1,218,285
Discount Factor (3.5%)	1	0.9662	0.9335	0.9019	0.8714	0.842
Discounted Cash Flow		-4,727	70,013	467,329	822,533	1,025,796
<b>Net Present Social Value</b>	<b>-604,056</b>					
<b>Internal Rate of Return (IRR)</b>	<b>-5%</b>					
<b>Benefit Cost Ratios (BCR) Total (BNU + LEP) Investment</b>	<b>0.80</b>					
<b>Benefit Cost Ratios (BCR) LEP Investment Only</b>	<b>1.45</b>					

#### 3.4.2 Option 2: Buckinghamshire Creates @ Pinewood

Year	0	1	2	3	4	5
Option A (£)						
Cost	(3,357,000)					
Cash Flow		(216,892)	217,126	1,111,154	1,962,832	2,516,147
Net Cash Flow		(216,892)	217,126	1,111,154	1,962,832	2,516,147
Discount Factor (3.5%)	1	0.9662	0.9335	0.9019	0.8714	0.842
Discounted Cash Flow		(209,561)	202,687	1,002,149	1,710,412	2,118,596
<b>Net Present Social Value</b>	<b>1,467,283</b>					
<b>Internal Rate of Return (IRR)</b>	<b>9%</b>					
<b>Benefit Cost Ratios (BCR) Total (BNU + LEP) Investment</b>	<b>1.44</b>					
<b>Benefit Cost Ratios (BCR) LEP Investment Only</b>	<b>2.93</b>					

### 3.4.3 Option 3: 'Do nothing' (long-list)

Year	0	1	2	3	4	5
Option A (£)						
Cost	-600,000					
Cash Flow		125,555	122,417	117,530	112,544	107,459
Net Cash Flow		125,555	122,417	117,530	112,544	107,459
Discount Factor (3.5%)	1	0.9662	0.9335	0.9019	0.8714	0.842
Discounted Cash Flow		121,311	114,277	106,000	98,071	90,480
<b>Net Present Social Value</b>		<b>-69,861</b>				
<b>Internal Rate of Return (IRR)</b>		<b>-4%</b>				
<b>Benefit Cost Ratios (BCR) Total(BNU+LEP) Investment</b>		<b>0.88</b>				

## 3.5 Preferred Option

Preferred Option	<i>Buckinghamshire Creates @ Pinewood</i>
<b>Rationale</b>	<p>The main advantage of this option is that it fully delivers the project objectives and leads to an enhanced student experience learning programme based at the iconic Pinewood Studios – a unique USP. The scheme fully capitalises on the momentum gathered through Phase 1 and will contribute to reducing skills shortages and improving employability in Buckinghamshire.</p> <p>A professional setting with industry-standard equipment will benefit learners as they start their creative careers, as well as businesses who will see work-ready graduates ready to hit the ground running.</p> <p>This option is of the scale and quality required to support the identified BTVLEP industrial strategy needs. The scale, quality of education, and location of the scheme will act as a catalyst for wider investment in <i>Buckinghamshire Creates @ Pinewood</i> and Buckinghamshire.</p>
<b>Decision Maker(s)</b>	Bucks New University Executive Team

### 3.5.1 Sensitivity Analysis

The Project is resilient to reductions in students recruited. A sensitivity analysis was conducted on the Preferred Option, modelling the effects of a reduction in student numbers to 95%, 90% and 85%. The Project returns a positive NPV for all options to 90%, with a Benefit Cost Ratio for LEP investment of 2.15 for the 90% option.

## 4. Commercial case

### 4.1 Commercial strategy

#### 4.1.1 Courses

The project involves the creation of 21 new courses addressing the needs of the film industry. These courses will be developed at cost by the University. As a public body it will not be necessary to procure this development from the market. The University is experienced in developing programmes

of this kind with industry and has established costing models that will mean that it is confident of securing good value for money in the creation of these project assets. Its partner CMS is the only training organisation within the Pinewood Studios business cluster delivering on degree-level programmes to the film industry and so has critical networks, insights to sector needs and experience of delivering to the needs of the customers interested in working in the film industry at Pinewood.

It is the lack of connectedness with the film industry itself that has resulted in market failure in much existing HE provision, with the BFI identifying almost half as not being fit for purpose. Together, the University and CMS will ensure the programmes are high quality and address the needs of the film industry businesses it is designed to serve.

The programmes are important to the commercial strategy of the project. Having high quality, relevant programmes, using industry standard equipment, attracts the applicants to study those programmes, which bring the revenues to deliver, and the means to supply qualified highly skilled professionals to meet the skills shortages experienced by businesses at Pinewood. To minimise the risks that programmes developed will not attract the applicants (and generate the revenues) projected in this business case, the partners have piloted three programmes in 2018-19, which have all recruited at the fee level forecast in the budget. The first of these, launched in October 2018, has already secured the same number of applicants for October 2019 that it recruited in 2018.

#### **4.1.2 Capital Equipment**

The Project will procure new industry-standard equipment for the new courses to be developed. Estimates of the equipment required for these programmes have been made by the academic and industry experts in the University and CMS with advice from the University's Head of Technical Resources. The precise specification for each programme may well change after consultation with employers in the industry to ensure the currency of the equipment that will be required. The capital equipment procurement will take place within Year 1 of the Project.

The Project will also make use of existing capital equipment within CMS and the University that can support the delivery of the new programmes. The ascribed value of this equipment has been estimated by the University Head of Technical Resources, Matt Cross, and has been calculated on the basis of an estimate of the value of the equipment and the proportion of its total usage that will be ascribed to the new programmes (where the equipment supports other programmes as well only a percentage is ascribed to the Project).

The costs of a project manager for years one and two of the Project, to manage building works, procure the assets, and put the capital to work in the new programmes will be capitalised. Project management spend in subsequent years is a business as usual expenditure and features within the profit and loss.

#### **4.1.3 Estate**

The project partners will take extended leases at Pinewood on existing space and create new dedicated learning space through the lease of an additional new space at the Pinewood site. Pinewood studios has confirmed that space is available for this purpose and gives its full support for this project. The project will refurbish the spaces at Pinewood to create the new facility in Pinewood Studios co-located with the sector cluster. This work will be undertaken in Year 1 of the project and incur the capital spend in that year. In addition, the University will use its own film studios, animation workshops, digital edit facilities, fashion studios and design workshops to support the delivery.

Additional space at Pinewood will allow *Buckinghamshire Creates @ Pinewood* to augment its capability and capacity to deliver a broad portfolio of programs, whether they are undergraduate, postgraduate, apprenticeships or those with transferable skills looking to change career. The additional space and equipment will allow *Buckinghamshire Creates @ Pinewood* to welcome exclusive groups keeping classes relatively small. The refurbishment of the spaces would include, partitioning, wiring and lighting, internal glazing, heating, new carpets and ceiling, quality furniture, fast broadband (2GB pipes) and Wi-Fi provision. CMS Group has already invested circa £80,000 in order to welcome the first MA cohort in October 2018.

Being based largely at the heart of Pinewood Studios enables *Buckinghamshire Creates @ Pinewood* to ensure each training opportunity is state-of-the-art and world-class, and will directly impact Buckinghamshire's future workforce. As the need for this type of education has grown, this project will renovate 520 square metres of unused space that will result in an additional six classrooms/work labs being incorporated in the programme base offer. The total capacity will reach over 500 students across 21 learning programmes at any one time. Existing estate in the form of film and TV studios, workshops and labs at the University will provide the base for the early years of the undergraduate provision. The ascribed value of the space for the Project has been estimated by the University's Director of Estates, recognising only a proportion of the space cost where it is used for the delivery of other courses.

## 4.2 Procurement strategy

All procurement will come under existing University Procurement regulations<sup>10</sup>.

### 4.2.1 University procurement regulations

The University has a Procurement Team which oversees and manages procurements undertaken by the University. These comply with the Public Contracts Regulations 2015, under which the University is deemed a Contracting Authority. Bucks New University's procurement policy is as follows:

Threshold	Process
>£164,176	Full OJEU process
>£25,000	Competitive tender
<£25,000	Three quotes

Within this project, there will only be procurement under each of these mechanisms.

#### *Full OJEU process:*

- RFQ template completed, including assessment and eligibility criteria.
- OJEU notice completed and opportunity also advertised on Contracts Finder and the university's procurement portal (in-tend) for as long as the opportunity exists, but for a minimum of 45 days, as an open OJEU call.
- The in-tend procurement system is used as both the procurement portal and the contracts register for the university.
- Eligible tenders received before the deadline will be assessed, in line with the published assessment criteria by at least three individual assessors using assessment templates.

<sup>10</sup> [https://bucks.ac.uk/\\_\\_data/assets/pdf\\_file/0019/34381/Procurement-Procedure.pdf](https://bucks.ac.uk/__data/assets/pdf_file/0019/34381/Procurement-Procedure.pdf)

Moderation, if necessary, is carried out the university's Procurement Lead. If necessary, the assessors and moderator meet to review the tenders, again depending on the value, complexity and level of detail of the RFQ.

- Average scores are agreed and the tenders are ranked.
- The outcome is communicated and, following the ten-day standstill period, a contract can be issued.
- OJEU award notification uploaded to OJEU within 48 days of the date of the award.

#### *Competitive process:*

- RFQ template completed, including assessment and eligibility criteria.
- Advertised on Contracts Finder and the university's procurement portal (in-tend) for as long as the opportunity exists, but for a minimum of 14 days, dependant on and proportionate to the value, complexity and level of detail of the RFQ.
- in-tend procurement system is used as both the procurement portal and the contracts register for the university.
- Eligible tenders received before the deadline will be assessed, in line with the published assessment criteria by at least three individual assessors using assessment templates. Moderation, if necessary, is carried out the university's Procurement Lead. If necessary, the assessors and moderator meet to review the tenders, again depending on the value, complexity and level of detail of the RFQ.
- Average scores are agreed and the tenders are ranked.
- The outcome is communicated and, following the ten-day standstill period, a contract can be issued.

#### *Three quotes:*

- RFQ template completed, including assessment and eligibility criteria.
- Quotes sought
- In-tend procurement system is used as both the procurement portal and the contracts register for the university.
- Eligible quotes received before the deadline will be assessed, in line with the published assessment criteria by at least three individual assessors using assessment templates. Moderation, if necessary, is carried out the university's Procurement Lead.
- Average scores are agreed and the tenders are ranked.
- The outcome is communicated and a contract can be issued.

The In-tend portal provides for an online retention of procurement documents, allowing a full audit of the process followed, down to the level of date and time of individual actions and the person taking them. For procurement using three quotes, all paperwork, emails and relevant documentation is stored on the university's shared drive.

Any paper copies that exist of RFQs, assessments, tenders, etc., will be retained by the lead partner for the duration required by the funding regulations.

## **4.3 Contractual arrangements & implications**

### **4.3.1 Legal form**

The University will form an appropriate legal partnership which will satisfy the requirements of a range of regulators including the Office for Students, Home Office UK Visa and Immigration, as well as compliance with competition regulations in respect to state aids and the receipt of public monies. The



agreement will be aligned with legal advice on the most effective way to manage the development of the project in a transparent manner between the parties. The University will be the contracting body for *Buckinghamshire Creates @ Pinewood* and will not pass LEP funded capital assets into the ownership of CMS. The University will take sole responsibility for the project and the capital spend and consequently all risk will be allocated the University. Partnership arrangements will exist between CMS and the University to enable co-delivery of the educational programmes.

#### 4.3.2 Premises

The Project involves the lease and refurbishment of spaces at Pinewood as well as the use of the University's extensive media, creative and design workshops, studios and labs, provided as a matched contribution to the Project.

Premises at Pinewood must be leased or owned by the University in order to deliver higher education for the purposes of Student Funding England regulations, and UKVI for the purposes of being able to designate it a University campus for delivery of higher education to international students holding Tier 4 visas. The lease will have the University as the 'Principal Tenant' or if it were to lease premises jointly with CMS, a commitment from the landlord that if the head lease was to cease, the University would be able to remain. This will manage the risk that the University offers a programme stating that students can study at Pinewood and then have no means to deliver, falling foul of competition law and the Competitions and Markets Authority.

CMS currently leases premises at Pinewood Studios and much of the planned provision will be delivered from these premises. These premises will be upgraded to provide the professional studio and workshop facilities to deliver the spread of provision detailed in the Project. As noted, the University must have premises at Pinewood that it leases directly, in partnership with CMS, so that the University is able to honour its own commitment to students to study at the Pinewood Studios – a key part of the USP for this provision.

This facility provides a major differentiator from other provision elsewhere in the country, and an attractor for postgraduate learners. It will be the University's 'Postgraduate and Professional Centre', a work-study space that postgraduate and third year students will use as a base to meet with business clients and work on projects, live briefs and commissions, providing a base for University staff, a location for teaching not delivered in CMS's premises, and a learning centre for students whilst at the Studios. A creative professional work environment, akin to many London-based serviced offices for creative freelancers, will be created to support the transition of UG and PG learners into creative employment and the development of their identity as creative professionals.

A letter of support from Pinewood Studios is attached in the appendices. If the first phases of the project through to 2023 progress well, the partners will approach Pinewood Studios to discuss taking expanded premises at the Pinewood site.

## 5. Financial case

### 5.1 Financial requirements and indicative cost

Capital Expenditure required	£
Fit out campus building at Pinewood	£520,000.00
Equipment to support Courses delivery	£1,859,000.00

Project Management for refurbishment, procurement and putting capital equipment to work	£126,000.00
Spaces required for delivery Bucks/CMS	£852,000.00
<b>TOTAL COST OF PROJECT</b>	<b>£3,357,000.00</b>

Capital Funding already Secured to the above	£
Value of Capital spaces required for delivery Bucks/CMS	£852,000.00
Capital equipment for course delivery	£720,000.00
Private investment <sup>11</sup>	£140,000.00
<b>Sub-total</b>	<b>£1,712,000.00</b>

Capital investment required from BTVLEP	<b>£1,645,000.00</b>
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## 5.2 Funding arrangements

### 5.2.1 Forecast revenue

Year	Forecast Income (£)
2018-19	£362,500
2019-20	£2,375,750
2020-21	£5,549,563
2021-22	£7,944,750
2022-23	£9,357,250
<b>Total</b>	<b>£25,589,813</b>

### 5.2.2 State aid

This project complies with State Aid. The investment aid should be granted under Article 53 (Aid for culture and heritage conservation) of the General Block Exemption Regulation EC 651/2014r. This allows an aid intensity of 50% for a creative industry cluster with a focus on higher education that preserves heritage skills centered on Pinewood studios. Buckinghamshire New University as the applicant will be the learning hub operator in partnership with CMS Group. The UK has notified a GBER scheme to the EC under which Article 53 falls. This application complies with State Aid legislation, benefitting from a scheme to stimulate growth in a target sector and brings clear benefits to society. *Buckinghamshire Creates @ Pinewood*, recipients of this State Aid, are incentivised to continue the stated purpose at Pinewood Studios through joint ownership and common purpose and for activities stimulated by this capital investment. Furthermore, the activities funded by this State Aid will become part of a future mainstream education for both organisations striving to achieve what they set out to do so when the Pinewood Studios project was conceived.

<sup>11</sup> Appendix 5 – Loan agreement

## 6. Management case

### 6.1 Delivery plan

A clear and thorough delivery plan has been created with a phased implementation schedule to ensure that the project is fully managed and achievable and meets all of its objectives.

#### 6.1.1 Phase one: 2018-2019

Pilot test programmes for delivery in collaboration with CMS whilst developing more detailed plans for future developing and securing funding.

The funding will enable the development of the teaching and delivery spaces at Pinewood and Bucks New University and purchase vital equipment and resources.

##### *Programme portfolio phase one*

The University and CMS have already piloted three specialist programmes at postgraduate level:

- MA Prosthetics and Sculpting
- MA Period Hair and Wig Design
- MA Screenwriting

##### *Apprenticeships*

Apprenticeships focused on the needs of employers in the film industry and based at Pinewood and the surrounding area will be developed subject to market intelligence on demand. Currently there are limited relevant specialist creative apprenticeship standards ready for delivery, but more are in development.

Engagement in discussion with industry employers will explore if a market exists for bespoke versions of 'vanilla' apprenticeships such as senior leader, chartered manager, or project manager that are tailored towards the needs of employers and meet the requirement of the apprenticeship.

#### 6.1.2 Phase two: 2019-2021

Bucks New University and CMS will develop a wider range of HE-level education, at both undergraduate and postgraduate levels, to students and apprentices. We will seek to attract applicants from the UK and internationally to undertake highly interactive and experiential learning programmes delivered partly or wholly from Pinewood Studios in Iver Heath.

Secure approval to recruit international students which creating a University Postgraduate Work/Study Centre alongside CMS at Pinewood Studios. To additional explore the potential to deliver comparable provision in iconic film industry studio clusters in China, the USA and Canada.

##### *Programme portfolio phase two*

A further three postgraduate programmes to start in September 2019:

- MA Costume design
- MA Film Production
- MA Production Design

and seven BA (Hons) undergraduate programmes:

- BA (Hons) Animation / with Foundation Year
- BA (Hons) Costume Design and Making
- BA (Hons) Film Production
- BA (Hons) Hair and Make-Up for the Film Industry
- BA (Hons) Media Production
- BA (Hons) Production Design for Film

For courses within the School of Media and Creative Industries, the undergraduate programmes will be taught from Bucks New University in the first year, with approximately 10% of the time spent at Pinewood in the second year, and approximately 20% of the time at Pinewood in the third year. The Masters programmes will be taught predominantly at Pinewood.

For courses within the School of Art, Design and Performance, Level 4 of BA Costume Design and Making, and Level 4 of Production Design for Film will be taught at Bucks New University, with teaching for L5 and L6 to be based largely at Pinewood Studios. BA Hair and Make-Up (envisaged to be a 2-year accelerated degree) will be based only at Pinewood Studios.

### *Apprenticeships*

Across 2019-2020, once a presence and delivery in Pinewood is developed, options around an Apprenticeship Training Agency (ATA) can be fully explored. Responding to the combination of skills shortages for companies producing at Pinewood and the relatively short-term nature of their location at the Studios (for the duration of a production), the opportunity to create an agency that provides skilled staff to companies for short assignments, whilst the University provides those staff with an apprenticeship education relevant to the film industry, will be scoped. Effective in other sectors in other parts of the country, this may provide an effective method to grow a new market for apprentices who meet the needs of the businesses and can develop their own skill set and employability. This ATA would be launched in 2020 if found to be viable.

### **6.1.3 Phase Three: 2020-2021**

Establish the complete offering of 21 degree programmes across undergraduate and postgraduate offers.

#### *Programme portfolio phase three*

- BA (Hons) VFX for Film;
- BA (Hons) Gaming;
- BA Cinematography
- MSc Film Business and Accounting;
- MA Gaming;
- MA VFX;
- MA Picture Post
- MA Art Direction

In addition to programmes in creative media, art, design and performance, it is envisaged that the University will provide other programmes from the School of Business, Law and Computing that pursue markets for business, management and law programmes tailored to focus on the needs of the film industry, in programmes such as Film and Business; Film and Production Management, Film and Talent Management etc.

Programmes will be face-to-face and blended learning, informed in their design by a high degree of consultation with industry employers, involving a significant involvement of industry experts and work opportunities in industry employers, and with support for transition into employment in the industry built into the offer to learners.

## 6.2 Project governance structure

Effective project governance will be crucial to the success of this project. The arrangements will align to the University Governance Structure and processes and the project will have the following roles assigned against it. These governance roles and structure are as follows:

<b>Sponsor (strategic direction):</b> Project champion, approves the project charter, business case owner, accountable throughout the project, prioritisation of the project within the organisation.	Sean Mackney PVC (Bucks New University)
<b>Project Board and Programme Manager:</b> (operational direction) Determines how the project goals and objectives are measured. Includes key stakeholders and determines communication structure. Approves project management plan, implementation plan and metrics, monitors and controls the projects to ensure alignment, creates consistency amongst all governance, lessons learnt, best practice and manages interdependencies. The board will meet monthly.  <b>Programme Manager</b>	Sean Mackney (Pro-Vice Chancellor Bucks New University) Julie McLeod (Pro-Vice Chancellor Bucks New University) Ailie Smith (CEO CMS Group) Claire Page (MD CMS Group) Pinewood Studios (tbc) Film Industry employer representatives x 2 (tbc) Florin Ioras, Director of Research and Enterprise Sri Kartini Leet (Head of School, Bucks New University) Russel Stone (Head of School, Bucks New University) Mike McDermott (Head of Partnerships, Bucks New University)  Joanna Boardman (Change Manager, Office of the Vice Chancellor, Bucks New University)
<b>Project Manager:</b> Execute project in accordance with the established governance plan. Track the ROI on establishing PPM governance, manages the progress and performance of the governance plan, executes the communication plan and manages the stakeholders based on their established expectations.	To be appointed

During the delivery of the actual courses and content across the life of the overall arrangement, the highest level of governance and account management used in the management of partnerships within the university will also be applied. These governance roles and structure are as follows and specific appointments to the roles will be made at the appropriate point in the project.

**University Account Manager:** This individual will be assigned from the University Partnership Team and will run the day-to-day operations of the programme. He/she will report into the Operations Board, but will be directly line managed by Bucks New University's Pro Vice-Chancellor.

**Operations Board:** This board to oversee operational delivery matters and will be comprised of representatives from both parties and it will be led by the Account Manager. The Operations Board will meet monthly.

**Strategy Board:** This board will steer the direction of the venture and act as an escalation point for the Operations Board. It will meet quarterly and it will include a representative from CMS, Bucks New University, the Account Manager (non-voting rights) and two individuals from industry. The Strategy Board will have ultimate authority to manage and direct the project, within the confines of procurement, publicity, State Aid and effective records management.

## 6.3 Project management approach

### 6.3.1 Introduction

The *Buckinghamshire Create @Pinewood* will be managed under the governance arrangements within Bucks New University using PRINCE2 methodologies by qualified project managers with experience of managing high-value projects. This will be applied to both internal capital investment programmes and externally funded enterprise projects.

### 6.3.2 *Buckinghamshire Creates @ Pinewood* project management

In order to deliver these plans for new provision in January and September 2019, the University will need to scope the operational and logistical tasks associated with development and delivery of the programmes detailed.

It is proposed that to coordinate the development and delivery of programmes as part of the partnership with CMS, including managing the procurement of appropriate capital equipment with (or without) the LEP bid, an APM/PRINCE2 qualified Project Manager/Venture Operations Manager or similar, be appointed. They will be responsible for creating the project plan for the venture between Bucks and CMS and providing a coordination function at Pinewood for the University and CMS activities, and an on-site University representative for enquiries from students.

## 6.4 Project plan

Appendix 2 – Project Plan

## 6.5 Project assurance

### 6.5.1 External project assurance

External project and quality assurance will be provided by Bucks Business First. This will be an independent peer review assessment at project initiation, mid-point and 'readiness for service' stages.

The University is also subject to a rigorous external regulatory regime which guides its approach to all aspects of its operation, including project management and course delivery.

### 6.5.2 Internal project assurance

The *Buckinghamshire Creates @ Pinewood* project will be subject to the normal University project assurance regime which consists of a hierarchy review stages and opportunities for intervention.

#### *Capital Projects Group*

The University Capital Projects Group (CPG) provides approval for and monitors all capital projects; allocates funding where this is dependent on the University's annual capital budget; and determines prioritisation of projects, having due regard for interdependencies between resource levels, competing projects, and the demands of business as usual. Projects are defined as any activity that cannot be managed and resourced from business as usual budgets and resource levels, or which involves capital expenditure in excess of the limit defined within the financial regulations, currently £5k. The group maintains a project register and tracker showing the progress, funding source, budget, and actual and committed spend by financial year for all projects. *Buckinghamshire Creates @ Pinewood* will be monitored under this regime.

Membership consists of the Vice-Chancellor, Deputy Vice-Chancellor, Pro Vice-Chancellor Research & Enterprise, Pro Vice-Chancellor Education, Director of Finance, Director of Estates, Director of Information Systems and Technology, Senior Financial Planning and Analysis Manager (advisor) and Vice Chancellor's Office Executive Officer (secretary).

Its remit is:

- To plan and profile University capital infrastructure projects across financial and academic years to ensure effective use of University resources
- To receive all requests for capital expenditure
- To evaluate all requests for capital expenditure to ensure fit with the University's strategic priorities, cash flow, value for money, and contribution to the University's key performance measures
- To allocate funds, where appropriate, from the University's annual capex budgets
- To approve expenditure against the University's annual capital budgets
- To monitor and review spend and commitments, with particular reference to budget, cash flow, and value for money
- To receive reports on the outcomes of capital expenditure
- To evaluate projects against impact on the University's key performance measures

CPG monitoring stages:

- In-project quarterly progress report:
  - Spend against budget and forecast for financial year
  - Progress against original time-lines
  - Uncontrolled risks
- Post-project evaluation at 6m and 1 year post completion (see 0)

#### *University Executive Team*

The University Executive Team are members of Capital Projects Group but will also provide oversight of the wider project with a focus on the course delivery and student experience aspects. There are regular meetings between senior managers and Service Leaders to review progress and issues arising from operational activities, and similar meetings between the Director and Heads of Departments in relation to academic developments.

### *University Council*

The University's Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. This is in accordance with the responsibilities assigned to the governing body in Instrument and Articles of Government and the Terms and conditions of funding for higher education institutions with the OfS. The University's Council receives periodic reports from the Chair of the Audit Committee concerning internal control and requires regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects. The Audit Committee considers the detailed internal audit report findings prepared by the University's internal audit service, reviews the effectiveness of the systems of internal controls and monitors adherence with regulatory requirements. It reviews the annual financial statements together with the accounting policies.

## **6.6 Benefits realisation management**

Benefits management will follow the lifecycle of the project and be embedded in the project management. Benefits are cross-referenced to objectives and requirements and will be monitored at quarterly intervals by CPG and in the post-project evaluation stages.

Our approach to benefits capture includes:

- Agreeing target benefits at the point of finalising project details, prior to delivery commencing, including indicators to be used, how they are anticipated to arise from supported activities, responsible owners and timescales for achievement.
- String communication strategy to all stakeholders to ensure identified benefits and how to achieve them is understood
- Ensuring teams and contractors are aware of their contribution to the benefits they are responsible for realising and how evidence will need to be captured (e.g. frequency, definitions, form to be completed, timing and submission arrangements).
- Having clear overall monitoring and evaluation approaches
- Reviewing progress against benefits indicators as part of project meetings and agreeing remedial actions in the event of performance below target.
- Maintaining an up to date and accurate benefits register

Appendix 2 - Benefits register

## **6.7 Risk management**

The process for risk assessment ensures that the assessment and management of risk at a local level supports and informs the assessment of risk at the strategic level. Internal auditors carrying out a review of the risk management framework following these changes considered that controls provided substantial assurance that associated risks material to the achievement of the University's objectives are adequately managed and controlled.

Appendix 3 - Risk register

### **6.7.1 Post-project evaluation**

As detailed at 6.5.2, post-project evaluation is carried out on all University capital projects 6m and 1 year post project completion. This takes the following form:



- Project Manager's report
- Performance against, and validity of original business case
- Benefits achieved to date
- Residual benefits expected
- Deviations from the approved project bid
- Review of Project Deliverables (how the project performed against its planned targets and anticipated time, impact, cost, quality, scope, benefits and risks)

END

## 7. Appendices

### 7.1 Appendix 1 - Project plan

Task Name	Notes	Durati	Baseline Start	Baseline Finish	Start	Finish	% Complete	Half 2, 2018	Half 1, 2019	Half 2, 2019	Half 1, 2020	Half 2, 2020	Half 1, 2021	Half 2, 2021	Half 1, 2022	H
<b>4 Buckinghamshire Creates @ Pinewood</b>		895 days	Mon 03/09/18	Fri 04/02/22	Mon 03/09/18	Fri 04/02/22	6%									
<b>4 Commercial Case</b>		195 days	Tue 04/09/18	Fri 31/05/19	Mon 03/09/18	Fri 31/05/19	23%									
Seek legal advice on creation of partnership		130 days	Mon 03/09/18	Fri 01/03/19	Mon 03/09/18	Fri 01/03/19	35%									
Create and finalise the contractual arrangements and implications		65 days	Mon 04/03/19	Fri 31/05/19	Mon 04/03/19	Fri 31/05/19	0%									
<b>4 Course development and delivery</b>		895 days	Mon 03/09/18	Fri 25/09/20	Mon 03/09/18	Fri 04/02/22	4%									
Enrolment of first cohort ( 3 courses, 45 students) Pilot year		111 days	Mon 03/09/18	Mon 04/02/19	Mon 03/09/18	Mon 04/02/19	50%									
Enrolment of second cohort (14 courses, 150 students)		111 days	Mon 03/09/18	Mon 04/02/19	Mon 03/09/18	Mon 04/02/19	0%									
Enrolment of third cohort (17 courses, 300 students )		111 days	Mon 02/09/19	Mon 03/02/20	Mon 02/09/19	Mon 03/02/20	0%									
Enrolment of fourth cohort (18 courses, 480 students)		108 days	Mon 07/09/20	Wed 03/02/21	Mon 07/09/20	Wed 03/02/21	0%									
Enrolment of fifth cohort (20 courses, 600 students)		113 days	Wed 01/09/21	Fri 04/02/22	Wed 01/09/21	Fri 04/02/22	0%									
<b>4 Estates Work</b>		215 days	Mon 03/09/18	Fri 28/06/19	Mon 03/09/18	Fri 28/06/19	0%									
Agree and Lease appropriate space		150 days	Mon 03/09/18	Fri 29/03/19	Mon 03/09/18	Fri 29/03/19	0%									
Create and agree design plans for space		86 days	Sat 01/12/18	Fri 29/03/19	Sat 01/12/18	Fri 29/03/19	0%									
Assess and agree estimated costings and timescales		41 days	Fri 01/02/19	Fri 29/03/19	Fri 01/02/19	Fri 29/03/19	0%									
Purchasing and fitting space tender		41 days	Fri 01/02/19	Fri 29/03/19	Fri 01/02/19	Fri 29/03/19	0%									
Tenders awarded		5 days	Mon 01/04/19	Fri 05/04/19	Mon 01/04/19	Fri 05/04/19	0%									
Begin refurbishment		9 days	Wed 01/05/19	Mon 13/05/19	Wed 01/05/19	Mon 13/05/19	0%									
Complete of refurbishment		1 day	Fri 28/06/19	Fri 28/06/19	Fri 28/06/19	Fri 28/06/19	0%									
Procurement of equipment		43 days	Wed 01/05/19	Fri 28/06/19	Wed 01/05/19	Fri 28/06/19	0%									
Equipping and fit out new spaces		25 days	Fri 28/06/19	Thu 01/08/19	Fri 28/06/19	Thu 01/08/19	0%									
Go live hand over of new space to operational delivery team		1 day	Fri 30/08/19	Fri 30/08/19	Fri 30/08/19	Fri 30/08/19	0%									
<b>4 Apprenticeships</b>		430 days	Mon 04/02/19	Fri 25/09/20	Mon 04/02/19	Fri 25/09/20	0%									
Engage in discussion with industry employers to develop market intelligence on demand		152 days	Mon 04/02/19	Tue 03/09/19	Mon 04/02/19	Tue 03/09/19	0%									
Operations Board to review and assess demand to establish next steps		44 days	Tue 03/09/19	Fri 01/11/19	Tue 03/09/19	Fri 01/11/19	0%									
Explore options for an Apprenticeship Training Agency at Pinewood		236 days	Fri 01/11/19	Fri 25/09/20	Fri 01/11/19	Fri 25/09/20	0%									

## 7.2 Appendix 2 - Benefits register

Id	Benefit Description	How the Benefit is achieved	Potential dis-benefits	Target improvement	Improvement value	Realisation date	Evaluation approach
1	Economic - growth within Buckinghamshire	Economic assets in the form of fit-for-purpose course specifications and materials will be created in 21 occupational skills shortage areas in the film industry	Displacement of economic activity from other areas	GDP in Buckinghamshire	£77m GDP	2023	ONS Economic Growth statistics
2	Business - Business within the Pinewood Studios cluster will experience higher growth and improved productivity through the supply of graduate and postgraduate-skilled labour to meet skills shortages	Education-focused businesses, Bucks New University and CMS Group will grow revenues, including a projected £2.8m in export income		Export income	£2.8m in export income	2023	Financial statements

Id	Benefit Description	How the Benefit is achieved	Potential dis-benefits	Target improvement	Improvement value	Realisation date	Evaluation approach
3	Employment - Creation of jobs within Buckinghamshire within the higher education and training sector	Recruitment of staff to teach 21 new courses	Displacement of jobs from other sectors or institutions	Jobs within Buckinghamshire within the higher education and training sector	33	2020	Register of jobs created at Bucks and CMS
4	Employment – increased skilled workforce within Buckinghamshire within creative industries, business, law, finance and computing sectors	Skills shortage reduced with offering of 21 courses in occupational skills shortage areas in the film industry using industry-standard equipment	Displacement of jobs from other sectors	Graduates from creative industries, business, law, finance and computing will gain the right skills to find employment within Buckinghamshire	1435	2023	BTVLEP Industrial Strategy – Labour Market Intelligence
5	Learner benefits	Learners have the opportunity to experience through open days the opportunity to study and work at Pinewood, and they then are provided	Displacement of learners from other institutions	1500 young people in Buckinghamshire are inspired to seek work and higher education within the	1500 (300 per annum) attend open days	2023	Open day attendance lists at Pinewood Open Days  Graduate Outcome

Id	Benefit Description	How the Benefit is achieved	Potential dis-benefits	Target improvement	Improvement value	Realisation date	Evaluation approach
		with that opportunity through the provision of degree programmes delivered using industry-standard equipment.		creative industries or film sector  Learners will study within Buckinghamshire at undergraduate and postgraduate levels	1435 learners complete programmes		Survey, Longitudinal Educational Outcomes (LEO), Prior domicile data
6	Societal benefit - Equality of opportunity is promoted within the film industry, improving the representation of under-represented groups employed within the film industry Increased.	Integration with Bucks New University existing widening participation agenda		Widening participation in higher education and the film industry	Improvement in the ethnic, disability, and class background of graduates taking work on graduation	2023	Outreach activity data (Bucks New University Access & Participation Plan), Pinewood open days interactions, details of characteristics of graduates taking work in Buckinghamshire

Id	Benefit Description	How the Benefit is achieved	Potential dis-benefits	Target improvement	Improvement value	Realisation date	Evaluation approach
							from the programmes

### 7.3 Appendix 3 - Risk register

Key:	Scale for Risk Rating	Likelihood	Impact	Risk - threat or possibility that actions or events will adversely or beneficially affect our ability to achieve objectives
	1 to 5 - Low	1. Very low	1. Very low	<b>Gross Risk</b> - the gross or raw level of risk faced before the identified mitigation controls commence.
	6 to 15 - Medium	2. Low	2. Low	<b>Risk Trend</b> - how the level of risk changed since last assessment (comparative register August 2018)
	16 to 20 - High	3. Moderate	3. Moderate	<b>Mitigation/Treatment</b> - what approach and actions are being taken to lower the risk level.
	21 to 25 - Exposed	4. High	4. High	<b>Monitoring Indicators</b> - what will tell us whether mitigation actions are having the desired effect.
		5. Very high	5. Very high	<b>Net Risk</b> - current assessment of risk level based upon current controls and mitigation progress.

Risk No.	Risk	Risk Area(s)	Gross Likelihood	Gross Impact	Gross Risk	Risk Owner	Existing Mitigation / Treatment	Monitoring Indicators	Net Likelihood	Net Impact	Net Risk
1	University fails to recruit enough students to cover its costs resulting in a negative impact on University finances	Financial	2	3	6	HoMCI, HoADP	1. Additional costs associated with the programmes are modest meaning any losses would be limited and split between the parties 2. The programmes are proposed in an expanding subject area and offer a USP that is highly desirable 3. Programmes are priced (for PG and international) to reflect the uniqueness of the experience and so include stronger margins 4. The numbers of students planned per cohort are modest	Applications for each course launched; enrolments for existing courses; project income and expenditure	2	2	4

Risk No.	Risk	Risk Area(s)	Gross Likelihood	Gross Impact	Gross Risk	Risk Owner	Existing Mitigation / Treatment	Monitoring Indicators	Net Likelihood	Net Impact	Net Risk
2	International recruitment University fails to secure approval from UKVI to add the Pinewood site as a study location, resulting in no international recruitment	Financial	3	3	9	DoMSR	1. University takes a lease on a building at Pinewood, enabling it to apply immediately to add the location as a study site 2. University does not engage CMS as a partner and so manages all UKVI compliance with its own staff on-site 3. Demand from UK students is likely to be strong, on pilot evidence, so impact of no international recruitment may be limited in the medium term	Contract for lease secured UKVI approval of the site for Tier 4 students	2	2	4
3	The University's relationship with CMS ends due to bankruptcy or change of leadership, resulting in restricted ability to deliver the advertised experience to students	Reputation, Compliance	3	4	12	PVC (REER)	1. University contracts with CMS for services, providing income stream to CMS to secure its operations 2. CMS secures additional investment to strengthen its balance sheet as the venture grows 3. University seeks a lease with CMS that would ensure it could continue at Pinewood should CMS cease to trade, utilising contacts established with CMS in early delivery	Accounts of CMS and financial due diligence; reports to Venture Strategy Board; revenues secured for CMS from programmes in 2019	2	3	6



Risk No.	Risk	Risk Area(s)	Gross Likelihood	Gross Impact	Gross Risk	Risk Owner	Existing Mitigation / Treatment	Monitoring Indicators	Net Likelihood	Net Impact	Net Risk
	CMS is unable to deliver its contractual commitments to the University in respect to programme delivery and access to CMS learning spaces, resulting in damage to the quality of the student experience	Quality	2	4	8	PVC (REER)	1. University currently has a contract for phase 1, with separate schedules for each of the 3 programmes, defining contractual commitments of CMS in all aspects of delivery 2. CMS has been able to provide highly-experienced professionals for its short-course provision, which can be turned to the HE offer 3. CMS has recently refurbished and extended its premises at Pinewood for delivery	Monitoring reports to Operations Board;	2	2	
4	The University is unable to secure access to the Pinewood Studios site resulting in an inability to deliver the advertised experience	Reputation, Compliance, Financial	2	5	10	PVC (REER) CMS	1. Strong partnership developing between CMS and University, reinforced by the potential LEP capital investment, and revenues flowing for both parties makes it in CMS interests to provide students access 2. University has taken legal advice over best organisational form to minimise its compliance risks	Lease signed; MoU with Pinewood Studios agreed; reports of CMS-University Strategy Board to University Partnership Board	1	5	5

Risk No.	Risk	Risk Area(s)	Gross Likelihood	Gross Impact	Gross Risk	Risk Owner	Existing Mitigation / Treatment	Monitoring Indicators	Net Likelihood	Net Impact	Net Risk
5	The reliance on CMS to deliver large proportions of the programmes results in high employment focus but poor academic attainment	Reputation, Compliance	3	4	12	PVC (REER)	<p>1. University is responsible for the programmes, defines the requirements of visiting professionals, and has written the modules for validation.</p> <p>2. Close partnership working between CMS and the University is in place to ensure the academic requirements of the programme are fulfilled</p> <p>3. Delivery is monitored by the University's programme leader, recently appointed as a full-time member of faculty</p>	Periodic SAMM reviews in year; data from module evaluation, module boards for attainment and progression	2	3	6
6	Changes to student loan finance post-Augar review reduces the fee cap for creative industries courses below £9250 making provision at Pinewood uneconomic	Reputation, Financial sustainability	3	3	9	PVC (REER)	<p>1. Reduce UK UG recruitment and invest in marketing to increase international UG and Postgraduate of all kinds.</p> <p>2. Consider a creating a private HE provider that registers with OfS as a fee-cap provider, able to charge £6135 SLC loan-eligible but uncapped fees beyond this.</p> <p>2. LEP support for capital needs of the programmes should limit the costs of delivery</p> <p>3. Likely implementation would be not until year 3 or 4 of the project at the earliest.</p> <p>4. If programmes at Pinewood recruit more strongly than those at Wycombe, the larger cohort sizes may make them</p>	Augar Report and Government response, General Election result and Government policy, scoping and feasibility study recommendations	3	2	6

Risk No.	Risk	Risk Area(s)	Gross Likelihood	Gross Impact	Gross Risk	Risk Owner	Existing Mitigation / Treatment	Monitoring Indicators	Net Likelihood	Net Impact	Net Risk
							more economic even at lower fee levels. Many others in the sector would be in greater difficulty where demand was more limited.				
7	Academic schools are unable to develop the programmes according to the development schedule resulting in reduced quality, reduced income or reputational damage	Reputation, Financial sustainability	3	4	12	PVC (E)	1. Heads of School are personally involved in ensuring the programme design and delivery are of appropriate quality	Project status reports	2	4	8
8	The University and CMS fail to secure BTVLEP capital investment resulting in the University and CMS being unable to deliver the planned suite of programmes due to limited learning spaces and lack of essential learning and teaching equipment	Organisational effectiveness	3	3	9	PVC (REER)	1. University team and CMS working on the full business case submission to the LEP by 20 December for decision 11 January.		2	2	4

Risk No.	Risk	Risk Area(s)	Gross Likelihood	Gross Impact	Gross Risk	Risk Owner	Existing Mitigation / Treatment	Monitoring Indicators	Net Likelihood	Net Impact	Net Risk
9	The University is unable to manage the quality of the student experience and regulatory compliance at the Pinewood site, resulting in reputational damage, compliance risks and failure to meet recruitment targets	Reputation, Compliance, Financial sustainability	3	5	15		1. Pinewood strategy scopes aspects for consideration and works on scenarios 2. New programmes at UG level all deliver Level 4 at the High Wycombe campus, with MCI UG courses also delivering L5 at High Wycombe, providing more time to establish the systems and processes for effective UG provision that will be judged by students in the NSS	Project status reports; scrutiny of other internal governance structures and PSE teams,	2	4	8
10	The UK Film Industry's need for graduate-level employees falls post-Brexit, resulting in reduced employment prospects for graduates and reduced demand and recruitment	Reputation, Financial	2	2	4			LMI from BTVLEP, changes in applications to programmes	2	1	2
11	A competitor university establishes a base at the Pinewood Studios site, competing with CMS and the University and resulting in reduced recruitment	Financial	3	4	12		1. CMS meetings with Pinewood Studios MD and Commercial Director is securing the support of the Studios for the CMS and University venture. Space on the site is limited and at the discretion of Pinewood. Sensitivity analysis shows the venture still to be profitable with lower recruitment.	Other universities operating on the Pinewood site	3	3	9
12	Failure to secure lease agreement in time to allow for refurbishment within the specified timeline	Financial / Reputation	3	4	12	PVC (REER) CMS	1. Legal advice sought and pro-active negotiations and discussions already underway to establish best fit. 2. Buildings have been identified	Project gateway stages and other timeline action monitoring. Successfully completion and creation of contractual	3	2	6

Risk No.	Risk	Risk Area(s)	Gross Likelihood	Gross Impact	Gross Risk	Risk Owner	Existing Mitigation / Treatment	Monitoring Indicators	Net Likelihood	Net Impact	Net Risk
								agreements			
13	Delay to fit-out the space	Financial /reputation/organisational effectiveness	3	4	12		1. Initial design plans and specifications exist as the result if recent on site construction elsewhere by CMS 2. Bucks estates team has extensive knowledge and experience of both construction and refurbishment of educational spaces	Lease agreement completed, Contractors engaged, project plans met	2	2	4
14	Failure to procure equipment in time to deliver courses against schedule	Financial/organisational effectiveness	3	4	12	HoMCI, HoADP	1. Equipment requirements have been defined in an initial best fit exercise against the course delivery schedule 2. Potential suppliers have been identified and strong procurement procedures are in place	Fit out gateway points met, Capital Group reports and recommendations, monitoring of the estate project plan	2	3	6

## 7.4 Appendix 4 - Letters of support



14 December 2018

Ailie Smith  
CEO  
Creative Media Skills Ltd  
Pinewood Studios  
Pinewood Road  
Iver Heath  
Buckinghamshire  
SL0 0NH

This is a letter of support for Creative Media Skills and Bucks New University's application for skills capital funding.

Buckinghamshire has long been the centre of British filmmaking with Pinewood as its home for over 80 years.

In that time Pinewood Studios has made dreams a reality, enabling storytellers to bring their creations to life on the big and small screen. We are renowned across the globe for excellence in our field. Pinewood offers the creative industries a unique complement of world class facilities, services and expertise.

British film and TV is one of the UK's most creative, dynamic and fast-moving industries with an annual production spend in 2017 of close to £2 billion, a large part of which is foreign earnings.

Pinewood is leading the UK in competing for valuable market share in the global film and television content markets. We are increasing infrastructure capacity in order to continue growing productivity, talent development and job creation across all the technical and craft sectors of the film, television, animation and games industries.

Central to this is the need for 'state of the art' skills training and education, driven by industry itself, and delivered right at the heart of the industrial process.

**Pinewood Group Limited**  
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[www.pinewoodgroup.com](http://www.pinewoodgroup.com)  
Registered in England No 3889552 Registered Office: Pinewood Studios, Pinewood Road, Iver Heath, Bucks, England SL0 0NH



As part of the Future Film Skills Strategy recently announced by the British Film Institute we are keen to promote and sustain training providers such as CMS and Bucks New University. If we are to remain at the forefront of excellence in global content production, then building and increasing our skilled workforce could not be more important.

The collaboration between Creative Media Skills, based here at Pinewood, and Bucks New University is intended to develop further targeted qualifications that answer the industries specific needs.

This will keep Buckinghamshire at the forefront of the UK's vibrant and highly successful film and television industry at a time of huge growth in global content production.



**Andrew M Smith**  
Corporate Affairs Director



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info@screenskills.com  
[www.screenskills.com](http://www.screenskills.com)

Chair: Richard Johnston  
Vice Chair: Alex Hope

Allie Smith  
CEO  
Creative Media Skills Ltd  
Pinewood Studios  
Pinewood Road  
Iver Heath  
Buckinghamshire SL0 0NH

19<sup>th</sup> December 2018

Dear Allie,

**Re: your application for support from the Buckinghamshire LEP for expansion**

I am writing in support of your proposal to the Buckinghamshire Thames Valley LEP for capital growth funding to develop and grow Creative Media Skills (CMS) facility at Pinewood Studios.

As you know, ScreenSkills (formally Creative Skillset) is the industry-led charity for the film, television, visual effects, animation and games industries. Our overall objective is to increase the pipeline of talent into these industries and to ensure the workforce is skilled and inclusive.

Your plans for expansion address a direct need for skills training and continuing professional development to sustain and grow the creative industries in the UK. Your strategy speaks to the current and predicted skills shortages as identified by both the ScreenSkills' and the BFI's skills forecasting research. Our observation is that with the right support, CMS' proposal for expansion will contribute to keeping the UK's creative industries at the top of their game.

For these reasons, we are pleased to support your application and look forward to hearing how it progresses.

Yours sincerely,

A handwritten signature in black ink that reads "Seetha Kumar".

**Seetha Kumar**  
CEO





bfi.org.uk

020 7255 1444  
21 Stephen Street  
London  
W1T 1LN

Ailie Smith  
CEO  
Creative Media Skills Ltd.  
Pinewood Studios  
Pinewood Road  
Iver Heath  
Buckinghamshire, SL0 0NH

26 September 2018

I write this letter in support of your project proposal to the Buckinghamshire Thames Valley LEP, to create a centre that expands excellence in creative industry education located at Pinewood studios.

Following the BFI skills audit and creation of the Future Film Skills strategy, the BFI identified that 'between 2009 and 2013, employment in the core UK film sector grew by 21.6%, far outpacing the economy wide increase of just 3%. As the industry continues to grow, so too does the demand for labour putting considerable pressure on the market for skills.'

Previously there has been a disconnect between higher education and the screen industries, and 'our consultations with employers found a failure to equip learners with the skills they need to be successful in the industry'. BFI Future Film Skills Strategy

With this plan to create a new suite of Apprenticeships, Graduates and Postgraduate courses, Creative Media Skills are answering a direct need for skills training in order to sustain and develop the creative industries. In addition, it will generate cross-sectoral benefits across different areas and sectors that the creative industries interface with. This project will enable the creation of a facility at Pinewood Studios, the heart of the iconic sector cluster delivering the local as well as the national industrial strategy.

The project approach and expected outcomes are highly relevant to us and we are looking forward to watching as it develops.

Yours sincerely,

Amanda Nevill, CBE  
CEO  
British Film Institute



The British Film Institute is registered in England as a charity, number 287780, whose registered address is 21 Stephen Street, London W1T 1LN

**Margot James MP**



**HOUSE OF COMMONS**

**LONDON SW1A 0AA**

Tel: 020 7219 7226

Mr Richard Harrington  
Chief Executive  
Buckinghamshire Thames Valley Local Enterprise Partnership  
West Wing, University Campus  
Queen Alexandra Road  
High Wycombe  
HP11 2JZ

Thursday 28<sup>th</sup> September

Dear Richard,

Please accept this as a letter of confidence in relation to Creative Media Skills' (CMS) application, in partnership with Buckinghamshire New University, for capital growth funding.

Having visited CMS earlier this year, I can fully attest to the company's creativity and professionalism. I was extremely impressed by the quality of their training and indeed, their trainers and teachers. Their knowledge and industry experience is invaluable and will be hugely beneficial to future generations.

The UK film sector is a huge growth area. Between 2009-13, research by the British Film Institute (BFI) identified that employment in the sector grew by over 20%, which is far greater than the economy-wide increase of 3%. The resulting demand for labour puts considerable pressure on the market for skills. The well-known skills gap and disconnect between higher education and the film industry means that there has been a real problem equipping the future generation with the right skills.

With the right support, CMS' proposal for a new centre at Pinewood Studios will directly answer the acute need for skills training in this area, to sustain and develop the UK's world-beating creative industries.

Please do not hesitate to contact me should you require any further details or clarifications.

Best wishes,

**Margot James MP**  
Member of Parliament for Stourbridge

Member of Parliament for Stourbridge

Email: [margot.james.mp@parliament.uk](mailto:margot.james.mp@parliament.uk) Website: [www.margotjames.com](http://www.margotjames.com)

## 7.5 Appendix 5 – Loan agreement

### LOAN 2 AGREEMENT

#### BETWEEN;

1. CREATIVE MEDIA SKILLS LIMITED of Pinewood Studios Pinewood Road Iwer Heath Bucks SLO ONH ("the borrower")
- And
2. Anthony and Nicola Marsh of *Little Gables, Forest Green Rd, Fyfield, Berks, SL6 2NR* ("the lender")
3. The loan will be £140,000 (one hundred and forty thousand) payable to the company by transfer into the nominated bank account in the company's name.
4. The loan will be unsecured.
5. The loan will attract interest at a yearly rate of 5% and will be payable quarterly in arrears to the lender by transfer to a nominated bank account.
6. It is noted by both parties that the loan is intended to be part of a larger investment by the lender into the company, and in conjunction with Loan 1 is exchangeable for shares equivalent to 15% of the company's equity capital at any time requested by the lender. The lender agrees not to demand repayment of the loan for a minimum period of three months while the agreements relating to the investment are prepared and finalised. Thereafter a minimum period of one month's notice for repayment of the loan must be given.
7. The loan will be used for normal company working capital requirements.

AGREED THIS DAY

*16/08/2018*

SIGNED

Director (on behalf of the company)

SIGNED

The lender

*AN S*  
*N. Marsh*

