

Evaluating the Economic Impact of The Sharp Project

October 2013



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1 Introduction

Formerly the European distribution centre for Sharp Electronics, The Sharp Project is now a digital media production hub located in East Manchester. It is the full time home to 54 digital companies and accommodates network Dramas for all the main UK TV companies as well as providing the flexible and affordable office, studio and workshop space required by start ups, micro businesses and SMEs, which form the backbone of the creative and digital sector.

The Sharp Project's model is based on a well-defined proposition to bring together space, connectivity, power and people, enabling the convergence of assets and talent to create digital content in Manchester for a global market. The strategic aim of The Sharp Project is to: *'reduce barriers that prevent creative and digital businesses from growing, creating work and generating wealth.'* The Sharp Project also has a strong focus on developing a balanced ecosystem which supports growth, as companies collaborate as well as compete with each other for business.

The Sharp Project is Manchester City Council's flagship initiative to support the development of the City's digital sector. It represents a multi million pound investment by the Council, the Northwest Regional Development Agency (NWDA) and the European Regional Development Fund (ERDF). The investment recognised the growth potential of the sector in Manchester, and in particular the opportunity to create jobs and career opportunities.

The building was completed in June 2011, having received £10.7m of funding between 2009 and 2011. The Sharp Project subsequently has plans for expansion through further phases notably with proposals for a Drama Hub at West Gorton.

The Sharp Project Objectives

The original aims and objectives of The Sharp Project can be summarised as:

- 1) **Creating a new production, digital and creative industries centre in East Manchester by providing 200,000 sq ft of accommodation and bringing a redundant building back into use**
- 2) **Providing the connectivity and power supply that this sector needs to do business**
- 3) **Supporting the digital and creative sector's employment growth by assisting 45 businesses per annum and accommodating 950 jobs (by 2012/13)**
- 4) **Attracting companies from outside of the region, providing an easy entry to establishing a base in the North West**
- 5) **Establishing a training/mentoring programme for highly talented young people**

6) Building on the momentum created by MediacityUK to strengthen the region's digital and creative offer

The extent to which each of these objectives has been achieved is set out in the conclusions section of the report.

Evaluating The Sharp Project's Economic Impact

This independent evaluation was commissioned to determine the economic impact of the first phase of The Sharp Project from its inception to April 2013.

The evaluation takes account of management information, existing reports and a survey of current tenants to measure this impact in employment and GVA terms and assess the performance of The Sharp Project against its original objectives. The evaluation also considers the wider social and regeneration benefits of The Sharp Project and its contribution to other strategic objectives.

This Report

The report is structured as follows:

- **The Greater Manchester digital sector**, summarising a recent review of the digital sector within Greater Manchester, to set the context for the evaluation.
- **The development of The Sharp Project**, setting out the history of The Sharp Project, its current offer and an overview of tenants' activities;
- **Project performance assessment**, reviewing financial expenditure and progress towards key output targets;
- **The business perspective**, setting out tenants' views on The Sharp Project and an overview of the activities they have undertaken since locating there;
- **The economic impact and business outcomes**, assessing the employment and GVA impact of The Sharp Project, as well as the commercial outcomes which businesses have experienced;
- **The qualitative and strategic benefits of The Sharp Project**, covering the wider social and regeneration impacts; and
- **A series of conclusions.**

2 The Greater Manchester Digital Sector

In 2012, New Economy produced a report on the Digital Industries in Greater Manchester, based on the 2007 SIC codes which cover digital content and ICT activities. The report highlighted the importance of the sector to the sub-regional economy, employment specialisms and positive growth projections (both in employment and GVA terms). The key findings set the context for both current operations at The Sharp Project and this evaluation.

In 2011 digital industries accounted for 45,776 jobs in Greater Manchester, and generated £2bn of economic output per annum. The City of Manchester acts as the primary digital content & ICT hub within the sub region, accounting for a third of the sector's total employment and over a quarter of businesses. Trafford, Stockport, and Salford also have large concentrations of employment in the sector. There are at least 300 businesses operating in the digital sector in each of the GM authorities.

Employment and Businesses in the digital content & ICT sector 2011					
	No Employees	% of GM		No Businesses	% of GM
Manchester	14,840	32.4%	Manchester	1,942	26.3%
Trafford	6,830	14.9%	Stockport	1,187	16.1%
Stockport	6,250	13.7%	Trafford	1,055	14.3%
Salford	5,701	12.5%	Salford	620	8.4%
Bury	2,885	6.3%	Bolton	605	8.2%
Bolton	2,630	5.7%	Bury	494	6.7%
Rochdale	2,090	4.6%	Wigan	493	6.7%
Wigan	1,620	3.5%	Tameside	359	4.9%
Oldham	1,580	3.5%	Oldham	318	4.3%
Tameside	1,350	2.9%	Rochdale	303	4.1%
GM	45,776	100%	GM	7,377	100%

Source: Business Register & Employment Survey, 2012

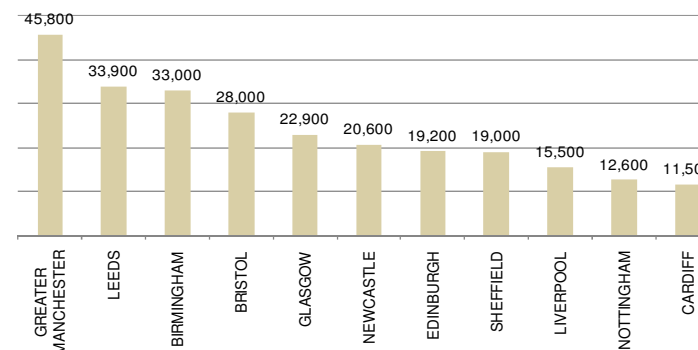
The opening of The Sharp Project, relocation of the BBC and the associated development of MediacityUK are each highlighted as drivers of growth in the digital sector. These developments have attracted employees to relocate from London, increased the number of opportunities for Greater Manchester residents and locally based businesses, and created localised hubs of activity.

The increase in activity has also attracted other businesses to locate in the City and across Greater Manchester, and the sub-region is now the UK's biggest centre for digital industries outside the Greater Southeast.

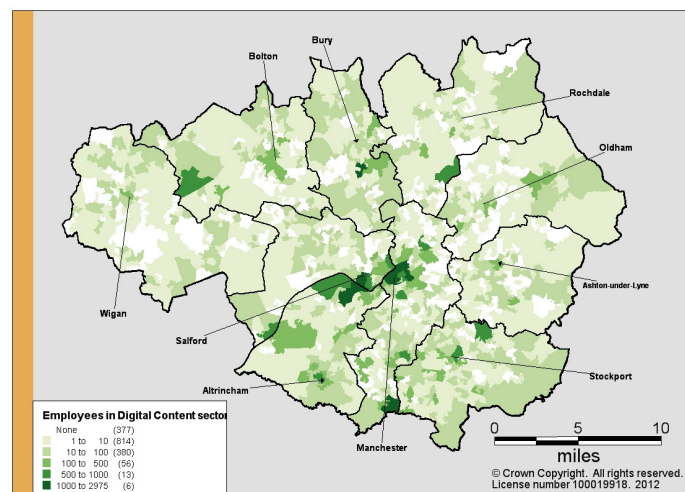
The Greater Manchester digital and creative hub is significantly larger than Leeds, Birmingham and Bristol hubs, and while size is partly linked to regional/geographical coverage, Greater Manchester is at a scale which suggests it is operating in national and international markets, rather than purely regional markets.

Employment in digital industries by city region outside London, 2011

Source: Business Register & Employment Survey, 2012



A more detailed geographical breakdown highlights the strong clusters of employment in Manchester City Centre and Salford Quays. In addition, Trafford Park, South Manchester, and Bury also feature strongly and there are also notable concentrations of employment across the main town centres within Greater Manchester.

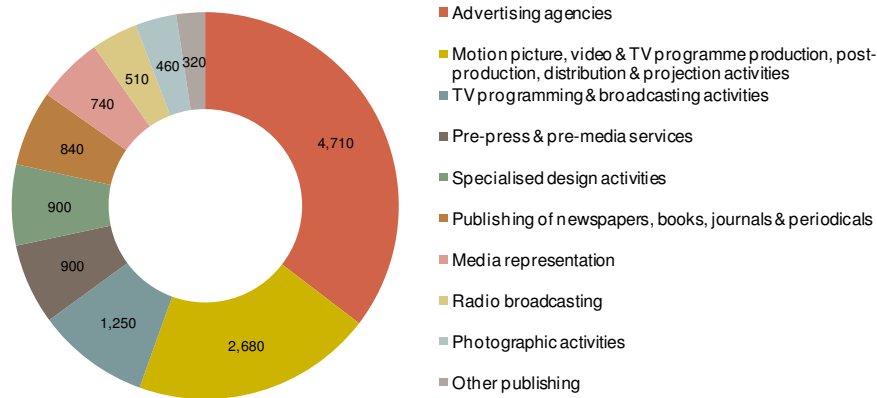


Key Sub Sectors

The digital content sector is diverse, covering print, publishing, music, motion picture, photography and television as well as other media and digital activities. With over 4,000 employees, advertising agencies account for the largest share of employment (35%). This is followed by film and TV activities, which are made up of two sub sectors that collectively employ around 4,500 individuals across GM - 32% of the digital content employees.

Employment in top 10 Digital Content subsectors in GM, 2011

Source: Business Register & Employment Survey, 2012

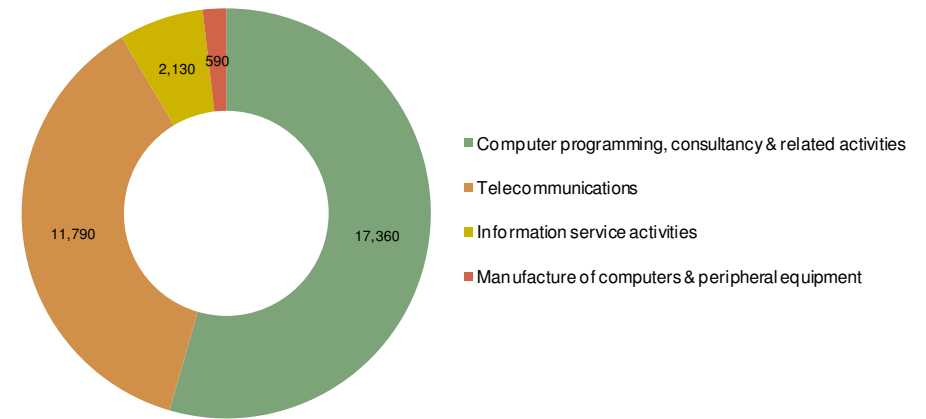


Other digital content sub sectors, which each employ less than 300 employees include newspaper publishing, newspaper printing, reproduction of recorded media, book publishing, other software publishing and sounding recording and music publishing activities.

ICT (Information Communication Technology) is dominated by computer programming, consultancy & related activities, accounting for over half (52%) of employment in ICT in 2011. This is followed by telecommunications, which employs almost 12,000 individuals across GM and accounts for over a third (37%) of the ICT sector.

Employment in the ICT sector in Greater Manchester, 2011

Source: Business Register & Employment Survey, 2012



Employment Specialisms

Greater Manchester has a comparative advantage in most of its ten largest digital content and ICT subsectors when employment levels are compared to those in Great Britain (minus London).

Top Ten Digital Content and ICT Sectors & Location Quotients in GM			
	No of employees	LQ (exc. London)	LQ (inc. London)
Computer consultancy activities	9,024	0.86	0.73
Other telecommunications activities	8,861	1.19	1.16
Advertising agencies	4,709	1.90	1.32
Computer programming activities	4,391	1.00	0.89
Other IT and computer service activities	3,927	0.83	0.72
Wireless telecommunications activities	1,835	3.65	3.73
Motion picture, video & TV production	1,705	2.03	0.78
Data processing, hosting & related activities	1,616	1.14	1.08
TV programming and broadcasting activities	1,253	8.05	1.65
Pre-press and pre-media services	901	1.92	1.99

In spite of the inevitable dominance of London, Greater Manchester has developed television programming and broadcasting activities as areas of specialism, with the proportion of total employment in the sub sector being eight times more than the Great

Britain average (exc. London). Wireless communication activities is another sub sector where Greater Manchester has a strong comparative advantage.

When London is included, the figures suggest that Greater Manchester's specialism in television programming and broadcasting, and motion picture, video and television programme production activities is second only to the South East. The figures also confirm Greater Manchester's comparative advantage in wireless telecommunications and pre-press and pre-media services, which exceeds that of London in relative terms.

In terms of specialisms at a local authority level, Manchester has the biggest concentration of employment in seven of the top ten digital content and ICT sectors.

GVA & Employment Forecasts

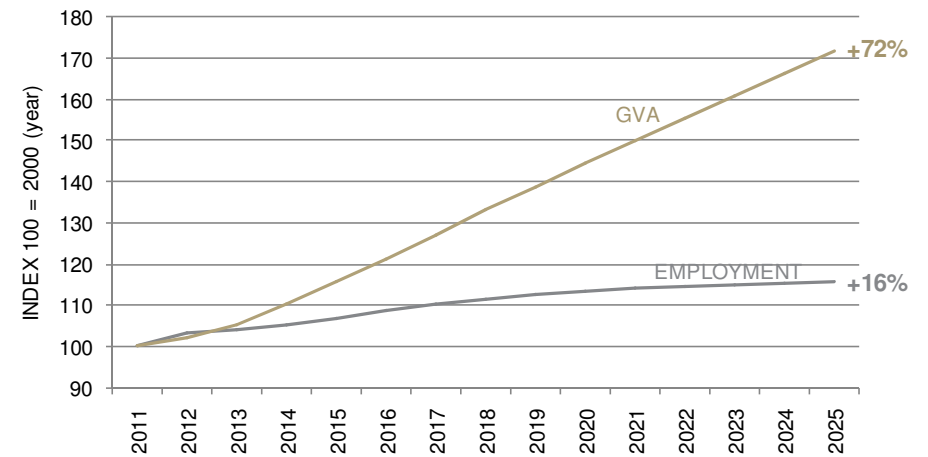
Growth forecasts for the Creative & Digital industries are drawn from the Greater Manchester Forecasting Model (GMFM) produced by Oxford Economics. While the definition of this sector from the model employed varies slightly from the one used in the previous section, it gives an overview of the sector's overall growth potential over the coming decade, which is positive in both GVA and employment terms.

Employment is forecast to grow by some 16% by 2025, although the continued growth at MediacityUK and the Sharp Project could lead to this figure being exceeded much earlier than 2025. The forecasts of 16% growth suggest an additional 7,500 jobs in Greater Manchester.

GVA is forecast to grow by over 70% by 2025, reflecting the increasing value of creative and digital outputs, and suggesting that the value added of employees and companies will increase substantially over the next 10 years.

Employment & GVA forecast in Creative & Digital Industries, 2011-2025

Source: Greater Manchester Forecasting Model, 2012



Summary

In summary, The Sharp Project has been developed against the backdrop of a growing creative and digital media sector within Manchester. The sector has some 15,000 employees in the city alone, and Manchester is now recognised as the UK's second city for the digital sector after London.

As set out in the later sections of this report, The Sharp Project itself has played an important role in this continued growth within the sector.

3 The Development of The Sharp Project

The Sharp Project has moved quickly from the development of the initial concept, through to opening, becoming occupied and now expanding.

The Sharp Project Concept: In 2008, Manchester City Council took a series of decisions to support and grow the city's digital media production sector which led to the transformation of the former Sharp European distribution centre on Oldham Road in East Manchester into a digital media production hub providing large-scale, cost effective studio, office and workshop accommodation, combined with world-class technical infrastructure.

The plans were informed by extensive consultation with media companies which identified an opportunity to focus on the digital media production sub sector to promote its continued growth. The consultations also highlighted the need for a range of accommodation and facilities, from the very affordable to high-end city centre office space as well as spaces where companies could co-locate to facilitate collaboration, innovation and share the costs of IT and technical infrastructure.

This was at the heart of The Sharp Project's initial concept, which included drama studios and production space as well as accommodation for a range of complementary businesses to generate a cluster effect that would build a critical mass of skills. It was also envisaged that the relationship between The Sharp Project and the surrounding area would create opportunities to attract similar or associated businesses, helping to diversify the economic base of East and North Manchester.

The Sharp Business Plan: An initial business plan was produced which helped to secure public sector funding. The Plan set out the strategic context and fit of The Sharp Project with local and regional plans, highlighting its potential to contribute to the economic transformation of the city and sub-region by providing a unique location for high value added, creative and digital services

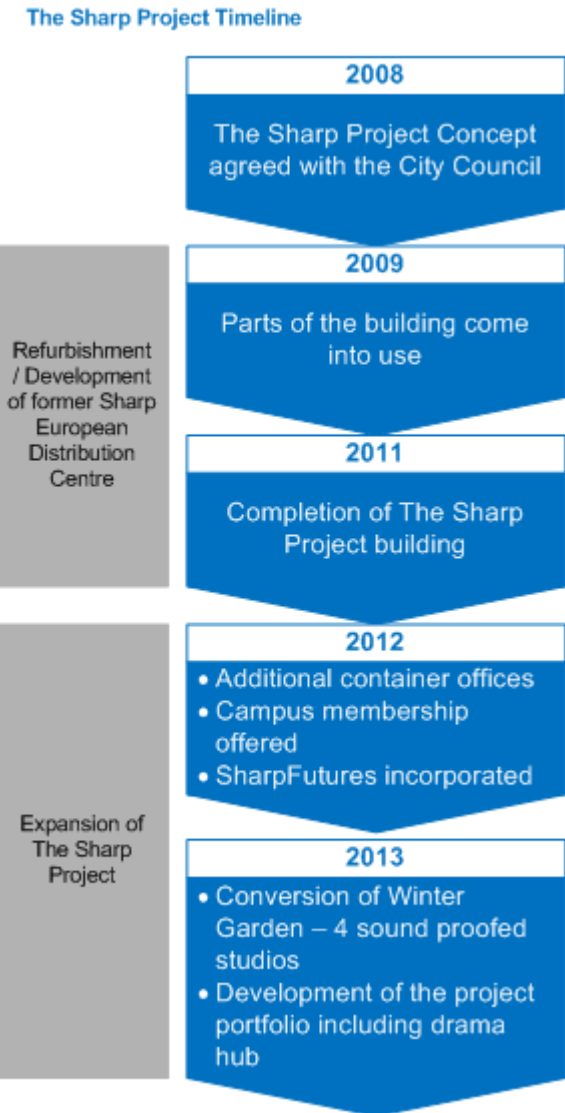
Re-development and Completion of The Sharp Project Building: The refurbishment and redevelopment of the building began in 2009 and following investment of £10.7m, the building was completed in June 2011. The table overleaf shows pictures of the site before and after its completion. Parts of the building have been occupied throughout this process, with occupancy levels increasing throughout this period.

Expansion of The Sharp Project: In 2012, The Sharp Project has expanded its offer at the Oldham Road site, with the addition of eight additional containers to the office high street to meet demand, and the introduction of Campus Membership, opening up access to The Sharp Project's social space and services for non-tenants. The services offered by The Sharp Project were also expanded with the establishment of **SharpFutures**, a social enterprise based at and working with The Sharp Project

that aims to seed, nurture and grow, talent and skills for the Creative Digital sector.

a social enterprise set up to nurture, educate and grow talent for the creative and digital sector.

Project Management: The Sharp Project has been overseen and managed by Manchester City Council. The day to day management is delivered through a matrix model of management comprised of Manchester City Council personnel, specialist consultants and a team of apprentices delivered and managed through social enterprise SharpFutures. Tenants and production companies make use of the facilities available and support the growth of the sector in Manchester. The Sharp Project also has an Operations board, with continued representation from those involved in the development of the initial concept.



The Current Offer

The Sharp Project comprises a number of interlinked areas, which are tailored to meet the needs of businesses of different sizes and cater for a range of business activities.

- **The Red Area / the Street:** containing 34 shipping containers which have been converted into glazed office units. The units are placed in two terrace rows to create a high street feel.
- **The Blue Area:** hosting 12 serviced office spaces ranging from 290 sq ft to 4,600 sq ft.
- **The Gold Area:** 30,000 sq ft office space offering 28 workspaces across two levels with an internal courtyard in the centre.
- **The Campus:** - the social hub of the Sharp Project: accessible to tenants and on site production companies, featuring open plan seating facilities, wireless access, lockers and onsite catering provision. The area is also open to Campus Members, who pay a small fee to access the space, work wirelessly and join the regular network events.
- **Green Screen Studio Space:** 2770 sqft of Green Screen space for TV commercials and /CGI/motion capture. The Sharp Project also offers camera, playback and lighting hire.
- **Production Space:** 48300 sq ft of space dedicated to TV and film production including four production stages which can be hired in conjunction with a suite of back stage facilities including dressing rooms, make up, wardrobes, green room and production offices.
- **Meeting Rooms:** meeting rooms which can be hired by tenants, Campus members and third party organisations.

Through careful design the Sharp Project has turned a conventional office/warehouse building into a creative bustling town, with the various neighbourhoods adding to the sense of identity.

BEFORE



AFTER



The Sharp Project's Tenants

The Sharp Project is now home to **54 businesses** that specialise in digital content production, digital media and television and film production. The services offers by the companies include:

<ul style="list-style-type: none"> • Motion Capture • Animation • Search Engine Optimisation • Web Design • Product Design • Post Production • Live and pre-recorded/post music production 	<ul style="list-style-type: none"> • Audio dubbing • Application Development • Specialist camera TV production equipment hire • VOIP/Internet service companies • Costume and prop hire • Graphic design and technology
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Companies which offer complementary or additional services that allow creative companies to develop their skills and grow, such as legal expertise in intellectual property, venture capital funding or sector specific training, are also carefully selected by The Sharp Project. The Tenants at The Sharp Project carry out a range of innovative activities relating to the development and distribution of digital content for customers in Greater Manchester, the rest of the UK and overseas. This includes:

- Creating innovative and engaging television and web content
- Bespoke software development
- The development of web and phone based apps to deliver bespoke training
- The development of online gaming software to aid business development
- Creative and innovative IT solutions to link customers and businesses, including cloud based solutions
- Computer programming
- Online monitoring, tracking and analytical services

In addition to the permanent tenants, the four drama stages are currently operating at full capacity with the network TV production companies – for both BBC and ITV, along with Sky 1's successful drama serial 'Mount Pleasant' and Channel 4's British Comedy Award winner 'Fresh Meat'.

SharpFutures

Established in 2012, SharpFutures is based at The Sharp Project and aims to *“build the capacity of deprived communities through nurturing, educating and growing talent to enhance and expand the creative and digital sector in the UK.”*

It undertakes a range of activities to raise awareness of the employment opportunities available within creative and digital industries and to increase the involvement of local residents in the sector. This includes engagement with school pupils, young people and adults.

Schools: SharpFutures offers services to schools and education institutions in Manchester to provide pupils with an understanding of the future career opportunities available.

Young people: SharpFutures' current activities include hiring and training five full-time apprentices to develop the skills and attitude required to work in the sector and working with 20 job-seekers as casual support and five graduates who work as independent associate contractors/freelancers.

The apprentices deliver services to support the day to day running of The Sharp Project. Tenants are able to hire the SharpFutures apprentice talent pool which provides the young people with a unique opportunity to gain valuable experience of working within different parts of creative and digital sector. Plans are in place to increase the number of apprentices in the next twelve months.

SharpFutures – The Apprentices >>

Apprentice #1 Customer Service, Role: Apprentice Organiser

“At The Sharp Project I have been involved in many events, including the third party hire of The Campus for the F-Type Jaguar launch. My daily tasks are quite varied as I am part of the Front of House team at Reception as well as completing book keeping and admin tasks for tenants in The Sharp Project.”

Apprentice #2 Marketing, Role: Apprentice Communicator

“My work is very marketing and PR related. This ranges from things such as implementing social media strategies for clients (The Sharp Project being one), creating monthly marketing reports, dealing with the producing press, communicating with clients of the The Sharp Project and much more. Whilst doing these tasks I also get to be part of the events team at The Sharp Project. I also help on front of house working on reception signing in guests, booking meetings and postal duties.”

Apprentice #3 Creative and Digital Media, Role: Digital Runner

“My work is quite varied ranging from working in the reception at The Sharp Project performing front of house duties and assisting on events to being loaned out to production teams working at The Sharp Project such as Tiger Aspect working on the production Mount Pleasant as a runner .”

SharpFutures also undertake activities to increase the engagement of local people in events which they are organising and holding at The Sharp Project. It recently staged #DigitalTeapot, an event held as a part of International Women's Week, which brought

together young women from the local area. Through workshops, panels, keynote speeches and networking, over 160 young women learnt about how they can develop a career within the creative & digital sector.

In terms of links to the The Sharp Project, SharpFutures has delivered a series of events designed to stimulate networking and collaborative activity amongst tenants. This includes 'Members Get Together', where new and existing tenants present their respective businesses to each other as well as network alongside members and special guests.

The Further Development of The Sharp Project Portfolio

Building upon the success of The Sharp Project, plans for further phases have been developed, which will lead to The Sharp Project having physical locations across the City. The aims of the expansion plans are to:

- Continue to strengthen the development of the sector and expand the freelance talent pool in the city;
- Attract larger volumes of TV and film production; and
- Continue to provide opportunities for the development of a pipeline of young people with the range of skills required to meet the sector's future and growing needs.

The most recent phase is the ongoing development of a Drama Hub at West Gorton.

Development of the West Gorton Drama Hub: Based on the high level of demand for production space, which the current facility at Newton Heath is unable to meet, plans have been approved to provide additional space and opportunities for the region's television and film production industry. This involves the transformation of the former Fujitsu complex in Gorton into a purpose-built drama hub creating new production stages over 55,000 sq ft, as well as 10,000 sq ft for production offices, dressing rooms, prop storage and make up. In addition there will be flexible space available to support the City's digital sector. The expansion has the potential to create up to 500 jobs.

The Drama Hub has already been approved for ERDF support, with the City Council providing match funding to deliver a £9m investment project. The scale of production facilities will make the new facilities of national significance and allow a considerable number of long run drama and films to be made in Manchester each year. The implication for free-lance staff and specialist niche companies is significant.

Summary

The short timescales over which The Sharp Project has been developed reflect the strong commitment of the City Council and other funding partners to strengthen the creative and digital sector within Greater Manchester and generate economic growth.

The history of The Sharp Project and its rounded offer clearly highlight that The Sharp Project Portfolio's development has been based upon a well defined proposition, informed by extensive specialist knowledge on the requirements of business within the sector. This is reinforced by the range of tenants and digital business activities that are now based at The Sharp Project. As later sections of the report highlight, the introduction of SharpFutures has also been a welcome addition.

4 Programme Performance

Introduction

The Sharp Project has been funded through a combination of European Regional Development Fund (ERDF), North West Regional Development Agency (NWDA) and Manchester City Council resources. It is contracted to deliver two outputs: (i) public sector investment leveraged; and (ii) area of digital floorspace delivered.

Project Expenditure

A total of £10.7m of public sector funding was levered for The Sharp Project between 2009 and 2011. Almost £3m of the total funding package was sourced from ERDF, which was match-funded with NWDA's single programme pot. Additional funding was also secured from Manchester City Council. Expenditure has been drawn down on an annual basis as profiled.

Public Sector Funding Levered (£)			
	Total	Profile	%
Manchester CC	4,697,599	4,697,599	100%
NWDA	3,332,805	3,332,805	100%
ERDF	2,688,797	2,688,797	100%
Total	10,719,200	10,719,200	100%

Source: ERDF Annual Monitoring Returns, New East Manchester 2013

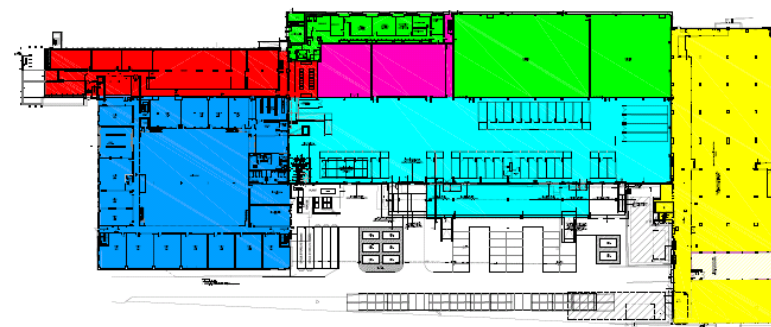
Performance against Targeted Outputs

The floorspace delivered for digital businesses is measured as the area (in m²) of new or upgraded floorspace built/upgraded to BREEAM excellent or very good at current standards. In total, almost 13,000 m² of office and production space has been delivered in line with the profiled targets. This increases to 18,863 m² when the communal areas and meeting spaces are included.

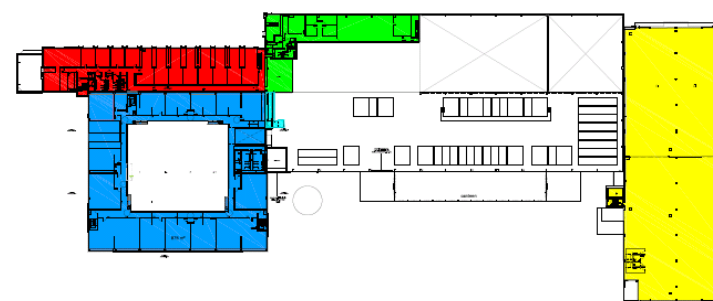
Outputs: Floorspace Provided (m ²)			
	2010/11	2011/12	Total
Profiled	12,587	308	12,895
Actual	12,587	308	12,895

Source: ERDF Annual Monitoring Returns, NEM 2013

Plan of Floorspace Delivered							
Floor	Phase 0	Phase 1	Phase 1A	Phase 2	Phase 3	Phase 4	Total
Ground	2,014	1,037	645	3,318	2,831	2,847	12,692
First	546	934	0	36	1,874	2,781	6,171
Total	2,560	1,971	645	3,354	4,705	5,628	18,863



GROUND FLOOR



FIRST FLOOR

Summary

The Sharp Project has been successfully developed during a period of recession. It has been delivered on time and to budget and has met its contractual obligations, and has provided a substantial amount of office and production space in line with the profiled targets. The re-development has also enabled a long-term vacant building to be brought back into productive, economic use.

5 The Business Perspective

Introduction

Current tenants at The Sharp Project were invited to take part in a face to face survey as part of the evaluation. The survey was designed to explore tenants' perceptions of The Sharp Project and to understand the extent to which being located at The Sharp Project has assisted any business growth and delivered commercial outcomes. To ensure that an accurate picture of current views was gathered, tenants were assured that they would remain anonymous in the final report.

A total of 30 businesses were interviewed, representing a response rate of 56%.

Respondent Profile

All of the businesses that responded to the survey are either micro or small and are equally distributed between the containers and office space. The largest respondent currently employs 22 people, reflecting the overall profile of The Sharp Project's tenants and the focus upon accommodating and supporting SMEs.

In terms of business age, respondents have been established for between 3 months and 13 years, with the majority trading prior to locating at The Sharp Project. Approximately one in three of the businesses had previously been trading from home, and a similar proportion either joined as new starts or had only been trading for a short duration (up to 6 months).

Business Age	Duration at The Sharp Project	
	No.	%
Less than 1 Year	5	17%
1-3 Years	6	21%
>3-5 Years	7	24%
>5 Years	11	38%
Total	29	100%

Source: The Sharp Project Business Survey 2013

The survey findings reflect The Sharp Project's success in continuing to attract and retain tenants, with a balance between those that have been there for less than twelve months and those that have been there over one or two years.

Trading Profile of Respondents

The large majority of companies have customers located in Greater Manchester and/or the rest of the UK. There are also a high number of companies within The Sharp Project which are generating international sales. Just over half of the respondents have customers located outside the UK, which is much higher than the proportion of businesses that typically export within the overall economy, and particularly the service sector. This reflects the portability of digital services and levels of global demand.

Number of Companies Trading with Customers in Each Location			
	No. Companies	Sample	%
In Greater Manchester	23	28	82%
In the Rest of the UK	27	28	96%
Outside the UK	15	28	54%

Source: The Sharp Project Business Survey 2013

As would be expected, the concentration of the companies' customers within each of these geographies varies considerably. For example, within those companies that trade internationally, an average of 16% of customers are based overseas, although at the company level this ranges from just 1% to 97%.

With regards to those involved in domestic trade an average of 41% of customers are based in Greater Manchester and 44% in the rest of the UK.

Location of Customers						
Location of customers	% of total customers					
	None	1-25%	26-50%	51-75%	76-100%	Total
In Gr. Manchester	5	6	8	4	5	28
Rest of the UK	1	10	7	5	5	28
Overseas	13	9	4	-	2	28

Source: The Sharp Project Business Survey 2013

The customer data suggests that companies at the Sharp Project have successfully moved in to national and international markets and are not dependent upon local demand. In total some 12 out of 28 companies are dependent on national and international markets for over 50% of their customers.

In terms of suppliers, similar patterns emerge with the large majority of companies purchasing from suppliers based in Greater Manchester and/or the rest of the UK. There is also a reasonable proportion of customers that purchase from overseas suppliers.

Number of Companies Trading with Suppliers in Each Location			
	No. Companies	Sample	%
In Greater Manchester	24	27	89%
In the Rest of the UK	23	27	85%
Outside the UK	11	27	41%

Source: The Sharp Project Business Survey 2013

Although suppliers are drawn from local, national and international locations, there are a small group of companies which are dependent on overseas suppliers for over half of their suppliers (three in total) and another group dependent on suppliers in the rest of the UK (five in total).

These companies aside, for some 10 out of 27 companies surveyed, over 50% of suppliers are local, suggesting a considerable impact on the local economy.

Location of Suppliers						
Location of suppliers	% of total suppliers					Total
	None	1-25%	26-50%	51-75%	76-100%	
In Gr. Manchester	3	5	9	4	6	27
Rest of the UK	4	7	11	2	3	27
Overseas	16	6	2	2	1	27

Source: The Sharp Project Business Survey 2013

Overall these trading patterns will have a positive economic impact upon the Greater Manchester economy in two ways:

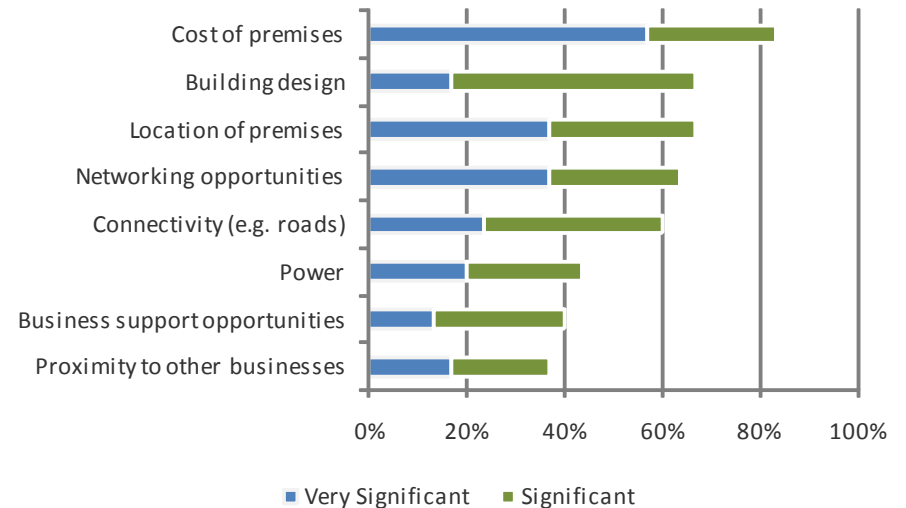
- The sales to customers in the rest of the UK and overseas will be particularly beneficial, generating additional income which will be re-circulated in the local economy through tenants' expenditure on wages and the supply chain.
- The expenditure on suppliers based within Greater Manchester will help to support indirect employment in a range of sectors. This impact is likely to increase when the production space is occupied.

Choosing The Sharp Project as a Location

Tenants found out about The Sharp Project in two main ways – word of mouth and/or direct contact with those leading the development of The Sharp Project. This and the fact that there was not any above the line marketing activity to attract tenants are a reflection of the success of The Sharp Project's underpinning concept.

A wide range of factors have encouraged businesses to locate at The Sharp Project and in the large majority of cases, the decision was a result of combination of factors. The cost of the premises was most frequently cited as having a significant or very significant influence on the businesses decision. This was followed by the building design, the location of the premises and the networking opportunities available.

Factors Influencing Tenants' decision to Locate at The Sharp Project



Source: The Sharp Project Business Survey

Businesses had clear expectations of what they were hoping to achieve by being located at The Sharp Project. These largely related to raising the profile of the company, undertaking collaborative activity, networking with other tenants, and ultimately generating business growth. A small number of companies also hoped that offering The Sharp Project as the place of work would help the business to attract employees.

The majority of tenants considered alternative premises (within and outside Manchester) before choosing The Sharp Project as their preferred location. Respondents cited a variety of factors, which had influenced their final location decision including affordability, the security services, 24 hour access and networking opportunities. The atmosphere, concept and design of building were also key factors for a number of businesses.

TENANT VIEW >> The Sharp Project as a Business Location

“We originally toured The Sharp Project looking for Campus membership, but when we saw the opportunities and tenants located here, we decided to take a shipping unit.”

“We were impressed by the overall positivity and community ecology of the building.”

“We were attracted by the whole proposition and the fact that we could connect with people. We felt that The Sharp Project could really work for us.”

“We looked at a couple of places but none were as interesting as The Sharp Project. Everyone we’ve every brought here thinks it really has the wow factor.”

“The very fabric of a container as workspace excited us most about The Sharp Project since it defines so much about contemporary design and logistics.”

Overall, The Sharp Project is seen as a very desirable location by its tenants. The survey results show that there is close alignment between the core features of The Sharp Project’s offer and the factors that have influenced tenants’ decision to locate there. This has resulted from the extensive development work undertaken to develop a strong understanding of the sector’s requirements, particularly in terms of business premises.

Tenant Interactions

Since its inception, The Sharp Project has had a strong focus on developing ‘a **balanced ecosystem**’, which encourages companies to collaborate as well as compete with each other for business.

The business survey provides a clear indication that this and a strong sense of community have been successfully developed within The Sharp Project.

There is evidence of several forms of joint working amongst the tenants that were interviewed and as the results show, for the majority of companies this takes more than one form. Specifically:

- **89% have worked in collaboration with another company at The Sharp Project;**
- **82% have networked with other businesses;**
- **78% have shared business ideas and/or contacts; and**
- **74% have traded with other businesses.**

The nature of the collaborative activity ranges from companies working together to secure larger business contracts and/or meet a wide spectrum of clients needs, to companies developing products and services in partnership. There are also cases where businesses have passed on work to other tenants or have developed an ongoing reciprocal relationship on this basis.

Collaborative Working – Product Development >>

TouchSoft Limited and **SharpFutures** worked together to help NHS Manchester deliver a tablet application to streamline budget planning for patients and carers. The free app is designed to help patients with long-term health care needs who may struggle with paper forms due to their physical conditions. When launched, it will enable them to use a tablet application to film or record themselves answering questions and help plan their budgets for their own long term care.

Collaborative Working – Multiple Approaches >>

A micro company which has been based at The Sharp Project for two years is undertaking a number of ongoing projects with a company providing similar services. They have also purchased legal, graphic and animation services from a number of other tenants and regularly hire the studio services offered by The Sharp Project.

Collaborative Working – Meeting Clients Needs >>

Five companies recently collaborated to meet wide ranging customer requirements. The customer was originally looking for one business to carry out all activities, but was happy to use multiple suppliers that were closely located within a designated lead contact to coordinate activities. Without this approach, the client would have sought these services elsewhere.

In many cases, collaborative working has led to positive commercial results for the businesses and notably an increase in sales/income (as set out in the following section), clearly highlighting the benefits of these activities.

Thee feedback from tenants endorses the role of The Sharp Project in stimulating this type of working. This includes comments from one tenant who has significantly

increased the level of work they undertake with two companies which they had previously known and worked with since locating at The Sharp Project.

TENANT VIEW >> Collaborative Working

“The amount of networking has exceeded our expectations. The collaborative environment works well.”

“Everything is under one roof so we can also offer other services and work with other businesses.”

“It is like one big shop for clients.”

“We regularly knock on tenants doors and now have SharpFutures, Amanda’s Catering and Aquitas Forensics amongst our clients.”

“We have passed on work to other tenantsand had clients directed to us from them too.”

“The members’ community is very important to us...we’ve collaborated widely with other energetic, talented businesses and our glazed front provides a perfect opportunity for passing trade and a casual chat with visiting delegates. We’re looking forward to welcoming more start-ups in this part of the building...who knows who we’ll be working with next.”

The strict admissions policy adopted by The Sharp Project, which ensures that all tenants are involved in the production and/or movement of digital content has been one of the key factors which have contributed to this culture. This is reinforced by the feedback from tenant. The large majority (86%) of respondents are aware of the policy and reported that it has positively impacted upon the working environment.

TENANT VIEW >> The Admissions Policy

“Everyone here has something in common with each other which harnesses and strengthens the ecology.”

“The admissions policy is a good idea....companies have similar expertise and can learn from each other.”

Overall, the extent and nature of the collaborative activities are unique and defining features of The Sharp Project, which has enabled it to move beyond a business location to a digital community. The survey findings strongly suggest that these

activities are likely to continue and increase in the future, with 91% of respondents reporting that is potential for further collaboration.

Attendance at events

The Sharp Project regularly host events and workshops covering a wide range of topics. The large majority of tenants (87%) have attended at least one event including the Big Chip Awards, Digital Teapot and the Jaguar Launch as well as the members get togethers organised by SharpFutures.

The majority of tenants (66%) have found the events either useful or very useful, with respondents commenting that they were able to network, make new contacts and gain an understanding of opportunities within The Sharp Project.

There is an appetite for further events, with suggestions that these could be linked to graduate fairs / skills / employment; access to finance; specific industries (e.g. films, TV and web based activities); and intellectual property and innovation.

Summary

The survey findings highlight the wide range of factors which have attracted businesses to The Sharp Project, including the cost of the premises, the building design and opportunities for networking. It also provides extensive evidence of the joint working which The Sharp Project is stimulating. The level of joint working is impressive, with most companies taking this forward through multiple approaches. The environment that has been created by attracting the right companies reinforces the importance of strict admissions criteria for developments of this type and demonstrates the management’s team success in keeping this in place.

6 Economic Impact and Business Outcomes

The assessment of the economic impact of The Sharp Project is based upon the jobs accommodated and the associated Gross Value Added (GVA) that is generated. The survey also provides evidence of a range of commercial outcomes which businesses have experienced since locating at The Sharp Project.

Employment Impact

The containers and office space currently accommodate 54 permanent businesses operating across the digital content sector, while the studio and production space accommodates production companies for a fixed period. This leads to two employment impacts, which are captured in the employment data collated by CTMS at regular intervals: (i) jobs which are permanently located at The Sharp Project; and (ii) jobs where the location will typically change over the course of a year.

The data shows that occupancy levels at The Sharp Project have increased over the past two financial years. Waiting lists for offices, and in particular the container units remain high and demand for production space has outgrown availability on site to the extent that international and national productions are being turned away. The development plans over the next twelve months will help to meet this demand.

By the end of March 2012, a total of 475 jobs had been accommodated at the Sharp Project. This has increased to 962 jobs by the end of March 2013 – slightly exceeding the target of 950.

Outputs: Digital Jobs Created or Safeguarded				
	2010/11	2011/12	2012/13	Total
Profiled		475	475	950
Actual		475	487	962

Source: ERDF Annual Monitoring Returns, New East Manchester 2013

The majority of these jobs are related to the short term production activities. Based on data provided by the production companies relating to the number of days on site and the average number of staff per day, it is possible to estimate the number of full time equivalent positions lasting one working year that are directly supported by this activity.

The Sharp Project –Jobs and FTEs 2012/13			
	Jobs	FTE	GVA
Tenants	184	205	£11.7m
Production	778	170	£9.7m
Total	962	375	£21.4m

Source: ERDF Annual Monitoring Returns, New East Manchester 2013

When the jobs within the tenant companies are also included, The Sharp Project has supported a total of 375 full time equivalent positions in 2012/13. This is a significant number of full time jobs, which lead to an annual GVA impact of £21.4m, based on the average GVA per FTE for all creative and digital activities in Greater Manchester.

Business Outcomes

The survey clearly highlights the role that The Sharp Project is playing in supporting business development and growth within its tenants. This is resulting in a range of commercial impacts. Since arriving at the Sharp Project:

- **92% of respondents have increased their turnover;**
- **89% have increase their productivity;**
- **85% have developed new products / services; and**
- **75% have created new jobs.**

In addition to creating jobs, there are also companies which have started to use or increased the level of activity undertaken by freelancers.

The growth has occurred on varying scales. In terms of employment growth, the companies involved have typically created between one and four new jobs, with one company creating 15 new jobs. In total, the 20 companies which quantified this growth had created 56 new jobs since locating at The Sharp Project. This accounts for approximately 30% of the total jobs accommodated in the tenant companies.

There have been greater variances in the proportionate increases in turnover. Across those that were able to provide an estimate of the increase:

- Eleven reported an increase of up to 50%;
- Three reported an increase of between 50% and 100%; and
- Seven reported an increase of over 100%.

There are also nine cases (30%) within the survey sample where businesses have moved or upgraded their premises within The Sharp Project to accommodate their growth. This includes businesses that had moved from single to double shipping containers and those who have moved from shipping containers to the designated office space. The Sharp Project's ability to accommodate this growth is a key benefit of the business location.

There are three main ways in which The Sharp Project has either directly stimulated and/or supported this growth:

- **Helping businesses to develop and strengthen relationships with new and existing clients:** Tenants commonly reported that either being

associated with The Sharp Project brand and/or (in the cases where clients visit companies) the design and functioning of The Sharp Project is helping customers to develop confidence in their business. This has helped companies to secure new business and generate repeat sales.

- **Encouraging trading between tenants in The Sharp Project:** by securing sales from other tenants or purchasing services available (for example website development) to aid business development.
- **Stimulating collaborating activity amongst clients:** As set out in the previous section, this ranges from sharing business contacts to carrying out joint projects.

Overall, 86% of the respondents reported that they have developed new business relationships, while 75% had strengthened existing relationships.

TENANT VIEW >> The Sharp Project Supporting Growth

“Its great being around similar minded businesses, there is an increased chance of securing work when bringing clients to this placeit shows you are a reputable company and gives your image a boost.”

“Certain clients are now working with us specifically because we are based at The Sharp Project.”

“Being located at The Sharp Project has had a good impact on the business. It has increased our profile and integrity, allowed us to expand and gave us more contacts. Clients are impressed when visiting the premises and we have also increased our knowledge of media businesses and what is going on in Manchester.”

“The general eco-system here made us feel very comfortable and that Manchester was the right decision for us. It’s an inspiring place ...I’ve seen nothing like this place in Britain and we are surrounded by people with skills that overlap ours without being in direct competition. There is a great mix of companies and co-opportunities. The people who run this place have opened up opportunities that might not have existed. We would still be at the bottom of our industry in London but we’ve had great introductions here.”

The Sharp Project has generated both scale and time additionality. Just over half of the businesses that had experienced positive commercial outcomes (54%) in turnover, productivity and/or employment terms, reported that the growth would have occurred on a smaller scale and/or would have taken longer to achieve if they were not located at The Sharp Project. This is higher than typical levels of additionality for capital build schemes.

TENANT VIEW >> Commercial Outcomes Experienced

“We would have struggled anywhere else. If we’d taken other premises it would have been harder and taken longer.”

“If I wasn’t at The Sharp Project, I would not have been able to get this increase and uplift. It may have happened but it would have been a lot harder and a lot slower.”

Growth Prospects

The tenants are generally optimistic about the growth potential of their business and the digital sector in Manchester. In particular, over the next twelve months:

- **100% of respondents expect to increase their turnover;**
- **61% expect to increase the number of staff; and**
- **18% expect to increase the number of business locations.**

These findings reflect the employment and GVA forecasts which imply that there will be improvements in productivity across the sector. The large majority of respondents (96%) also reported that they feel The Sharp Project will be able to accommodate their future business needs, with several companies specifically making reference to being able to upgrade and/or move to a larger office space if required.

Expectations relating to the future of the creative and digital sector in Manchester are also positive. 89% of tenants report a very/fairly optimistic outlook, with comments focusing on momentum, the City’s reputation and the infrastructure available.

Summary

Overall, the economic impact of The Sharp Project is substantial both in terms of the jobs it accommodates and the associated GVA generated. The way in which The Sharp Project is supporting and stimulating growth within tenant businesses is both in line with its strategic aim to *‘reduce barriers that prevent creative and digital business from growing, creating work and generating wealth’* and provides evidence that encouraging companies to collaborate is working and results in commercial benefits.

The role which the physical design of the building plays in this respect should not be overlooked. Not only has this encouraged companies to work together for commercial gain, it has also helped companies to strengthen relationships with new and existing clients that visit The Sharp Project. The level of optimism around future growth prospects is also very encouraging and suggests that the economic benefits and impacts are likely to increase in the future.

Mocapone>>

mocapone is a motion capture, animation and visual effects studio. Its state of the art performance capture studio is designed to encompass the needs of any production, whether it be film, television or video games development. The company has been trading for 9 years and has been located in a double shipping container at The Sharp Project for almost two years years, having been attracted by the networking opportunities, connectivity and power supply.

Approximately 90% of the company's customers are located outside the UK, with clients from Europe, USA and Asia Pacific. The company has provided services to a number of large brands including BBC, Sony, HP, Heineken, ESP and Google. If The Sharp Project had not been available it is likely the company would have moved abroad.

Since locating at The Sharp Project the company's turnover has increase six fold and a new job has been created. The company has also developed good working relations with other tenants including Project Simply, Barefoot and The Boot Room.

The Director is optimistic about the growth prospects for both the company and Manchester's creative and digital industry. They expect to remain at The Sharp Project for the foreseeable future, expanding into a larger office space if required.

Project Simply>>

Project Simply is a digital marketing and development agency, specialising in websites, e-commerce marketing, SEO campaigns, mailouts and print design. The company was The Sharp Project's first tenant and joined The Sharp Project after three and a half years of trading. It is well embedded within the sub-regional market, with 50% of their customers and 100% of their suppliers located within Greater Manchester.

The costs of the premises, connectivity and building design all played a role in attracting the company to The Sharp Project and they hoped that being located there would provide networking opportunities and help Project Simply to attract employees.

Its now three and a half years later and the company report that being based at The Sharp Project has had a positive impact– “we have met a lot of people and done a lot of business with people here.....we are all under the same roof and share the same problems and joys”. They have developed new and existing business relationships, including working with Doodle Do Motion, with the two companies sharing clients and promoting each other. They also feel that there is potential for this activity to increase in the future, with potential collaborations in the pipeline.

Other benefits include a number of commercial outcomes; turnover has increased three fold, three new employees have been recruited, productivity has improved and new products and services have also been developed linked to streamlining the

business. Overall, Project Simply are optimistic about the future of both their company and Manchester's creative and digital sector, they commented that “there are lots of new companies forging forward and creating new ideas”.

Sizzle Media>>

Sizzle Media is a multi award winning agency which has been providing web design, online marketing and business branding services for eight years. They have also contributed to events held at The Sharp Project, including the recent #Digital Teapot event. For the past two years the company has been based at The Sharp Project, during which it upgraded from a single to a double shipping container.

Developing business relationships has been a key feature of the company's experience at The Sharp Project. Project Sizzle have taken an approach of “regularly knocking on tenants doors” and now have SharpFutures, Amanda's catering and Aquitas Forensics amongst their clients. The company has also strengthened existing relationships and reported that as well as clients being impressed by The Sharp Project, there is also an opportunity to offer the additional services of other tenant companies to fully meet their needs.

In terms of commercial outcomes, the company has improved its productivity and created two new businesses – a budget web design service and Search Engine Optimisation (SEO) service. They reported that without being located at The Sharp Project, this impact would have taken longer to occur.

AppLearn>>

AppLearn develops software and applications which enable companies to provide video training and communication to their workforce in any location in the world – these services can be provided in any language and on any device. Approximately 97% of the companies customer's are located outside the UK.

The company has been operating for two years and has been based at The Sharp Project for most of this time. They were attracted to the Sharp Project by its “healthy ecosystem” and the cost of the premises. Since joining, they have been involved in networking, sharing business contacts and collaborations with other tenants and have purchased production services from Zemap.

They have also experienced a range of commercial outcomes, with productivity improving and turnover increasing by 80%, creating 4 new jobs. Had they not been located at The Sharp Project, AppLearn feel these outcomes would have taken longer to achieved and would have occurred on a smaller scale. The company is very positive about the future, describing their growth prospects as “excellent” and commenting that “there are great things going for the creative and digital sector in Manchester”.

7 Qualitative and Other Strategic Benefits

Alongside the economic benefits achieved, there are a number of qualitative and strategic benefits which have been realised through the delivery of The Sharp Project. These are set out in turn below.

Contributing to the growth of the City's digital sector

The Sharp Project has made a positive contribution to the ongoing growth of the digital sector. As the findings of the business survey show, The Sharp Project has played a role in stimulating and supporting business growth, particularly in relation to growth which has occurred as a result of collaborative activity with other tenants. Based on the companies which responded to the survey, at least 56 jobs have been created in the digital sector since companies located at The Sharp Project. The respondents are also generally positive about their future growth prospects.

Strengthening the City's position as the UK's second city for digital content production

Digital industries is an important sector for Greater Manchester and in particular, the City of Manchester. The Sharp Project is a key employment location for digital activities, accommodating 54 companies and 375 full time equivalent jobs. It also makes a clear contribution to the key employment specialisms which give the City and the sub-region comparative advantage. The multiple locations and mass of companies which now operate in the sector create a strong market capable of supporting indigenous growth and attracting new companies, as demonstrated by the recent arrival of US based EON Reality (see below).

Choosing Manchester as Location for Digital Technology

A recent press release set out a statement from the Co-Founder and Chairman of EON Reality explaining why they chose Manchester as the location for their European HQ: *"Manchester is the original technology city – they invented the computer and have been improving it ever since, designing, programming, creating content and sharing ideas. Manchester is the home of the UK's international Internet Exchange and the North West has the second largest creative cluster not only in the UK but in the whole of Europe. No other city in Europe has invested as much in its digital media and content operations – with billions being spent on creating a global hub for creative industries – just like EON Reality's European Centre. Manchester is perfectly placed to be the UK's digital city and is a prominent player in the technology sector in Europe so it makes total sense to be located here."*

The Sharp Project will continue to contribute to the new **Digital Strategy for Manchester** which was approved in 2012. The strategy has an explicit aim to maintain

and continue to grow the city's competitive advantage in order to fulfil the ambition of becoming one of the world's most digital cities by 2020.

The Strategy is based upon an independent assessment carried out by Oliver and Ohlbaum Associates Ltd, to determine what the city would need to do in order to be globally competitive. As part of this, The Sharp Project is highlighted as a blueprint for future growth, to capitalise on existing resources and nurture and facilitate the growth of the City's own unique digital ecosystem.

Contributing to the City's reputation for digital innovation

There are two main aspects to The Sharp Project's innovative character:

- The building and environment of The Sharp Project itself; and
- The innovative activities of The Sharp Project's tenants, which are stimulated and supported by The Sharp Project's environment and technology.

The Sharp Project has prototyped a unique way of working in the sector, encouraging companies to collaborate with each other whilst also competing. As a result, The Sharp Project has acted as a catalyst for a new wave of entrepreneurial activity across the City Region capturing attention not only nationally but also gaining a reputation internationally for developing and attracting businesses in this sector in a manner that can accelerate growth.

Creation of a new brand for Manchester – The Sharp Project

An added and unforeseen benefit of this Project has been the creation of a new brand for Manchester – The Sharp Project (TSP). Approaches have been made to buy the brand and forge partnerships with TSP or franchise the TSP brand both in the UK and Internationally. The brand now has a commercial value. The brand has been trademarked to prevent others exploiting the brand and to protect its integrity while the City Council consider how to exploit these opportunities.

Securing a new European headquarter facility of a global interactive 3D company and securing investment in skills development

The Sharp Project played a major role in the attraction of Eon Reality Inc to the city. The Sharp Project staff were involved with City Council officers in promoting Manchester to EON Reality and subsequently putting together a support package to enable the company to base its European HQ at One Central Park.

EON Reality intends to employ several hundred people in the city and the coding school has some 50 workstations available to train people. This increased training capacity will boost the supply of skilled coders available to other businesses in the City.

Stimulating skills development within the sector and supporting young people into employment

Skills development has been led by SharpFutures which has worked with schools and young people to raise awareness of the career opportunities available within the sector. The organisation has also been involved in developing the skills of tenants through a series of events and networking opportunities.

SharpFutures is currently nurturing a talent pool of young people by employing five apprentices, who are gaining work experience in a wide range of areas across the creative and digital sectors. The exact role and apprenticeship varies by individual based on areas of personal interest. The posts currently include Apprentice Communicator (focusing on marketing and PR), Digital Runner and Organiser (focusing on customer service).

The apprentices are positive about their experience, recognise the skills they are developing and feel that the work experience will be invaluable when seeking employment.

SharpFutures – The Apprentices >>

Apprentice #1 Customer Service, Role: Apprentice Organiser Lauren Kelly

“The main benefits of working as an apprentice at The Sharp Project is the experience I gain on a day to day basis. I have been able to gain experience in accounts/bookkeeping from tenants, customer service, event organising etc. Every day is a different day at The Sharp Project and the atmosphere is really friendly. When working with so many different companies, you get to see an insight to how different companies work and communicate and the different skills needed.

By working at The Sharp Project I have been able to connect and meet so many new people, people who have helped me gain knowledge and experience. When I have gained all the qualifications I need, I want to become a freelance accountant and I know I will be able to create a firm client base with some of The Sharp Project tenants.

I would recommend undertaking an apprentice because these days experience is key! Especially in the creative digital sector! At The Sharp Project/SharpFutures you are able to learn so many skills to use to help you start your career.”

Apprentice #2 Marketing, Role: Apprentice Communicator Danny Moore

“The main benefits of being an apprentice at SharpFutures is the fact it has enabled me to now feel confident and experienced in my career skill set due to the things I have been taught. I am a lot more aware of the direction I need to take to get where I want to be in my career. Being able to be part of the ecology at The Sharp Project is allowing me to not only get valuable experience here at SharpFutures but also gain experience from working with other companies who are tenants here.

I believe this is going to help my future massively as it is enabling me to gain contacts and create potential future business opportunities for my future career.

I'd highly recommend someone to become an apprentice at SharpFutures. I believe the skills and experiences available are second to none.”

Apprentice #3 Creative and Digital Media, Role: Digital Runner Thomas Rothwell

“I would say the main benefit of my apprenticeship is the experience I gain working with productions and helping out on events. I think the experience and skills I have gained would apply to other work places or help me to get other work. I would recommend the SharpFutures apprentice as compared to other options such as University where there is not as much hands on experience.”

Largely through the work of SharpFutures, The Sharp Project has developed links and worked with a number of local partners including local high schools, Manchester College, Skills Solutions, Churchgate, Manchester Chamber, Creative Skillset, The Shaws Trust and the National Apprenticeship Service.

These relationships have helped to raise awareness of the facility and opportunities available in the sector. They are also helping to encourage participation, supporting people within East Manchester and across the City to gain the knowledge and skills they need to take advantage of the opportunities being created.

Such activities and associated benefits will continue to grow in the future as further phases of The Sharp Project are delivered.

Contributing to economic development and regeneration plans

The Sharp Project has played a fundamental role in the regeneration of East Manchester. In local regeneration terms, plans were established at the outset to ensure that where possible benefits are captured for the local population, both through the delivery and operation of the ERDF project itself and by increasing awareness of the opportunities offered by the sector more widely. The Sharp Project has had a positive impact on a priority intervention area within the City in a number of different areas, notably through the delivery of the capital works programme, which provided a boost to the local construction sector, and the recruitment of project staff.

The facility has made a positive contribution to economic and social sustainability within East Manchester by creating opportunities and providing a visible sign of change within a priority regeneration area. As well as accommodating a high number of employment opportunities on site, plans have been delivered to increase awareness of opportunities offered by the creative and digital sector more widely, including hosting awareness raising events and by linking people to apprenticeships that support the development of new skills.

Contribution to environmental and sustainability objectives

The Sharp Project returned a prominent vacant building on a key gateway to the City Centre into active economic use. The former Sharp electronics factory had been empty for a number of years with no viable alternative uses identified. The Sharp Project therefore improved the visual amenity of the site and the investment has ensured that the building has an extended economic life.

The Sharp Project retained the core building structure with investment focused on reconfiguration of the internal space to accommodate the proposed uses and create improved access points to the property. The use of new materials was minimised through the delivery of a basic specification that satisfies the sector's needs.

As well as building positive environmental features into the building structure, the clustering of complementary businesses and the variety of facilities available at the site has helped to minimise the need for businesses to travel to their customers and to access facilities and services.

Summary

The qualitative and strategic benefits which The Sharp Project has delivered are wide ranging in nature impacting upon the City's digital sector, local residents and the environment of East Manchester. While these benefits cannot be quantified, they should not be overlooked, particularly in relation to the skills development activity which is taking place with young people given the growing concerns within the sector about emerging skills gaps. As with the economic impacts, there is potential for the contribution of both The Sharp Project and SharpFutures to increase activity in these areas in future years.

8 Conclusions

Since opening, The Sharp Project has been successfully established as a major, long term economic asset for Manchester, the wider sub-region and the creative and digital sector. The Sharp Project was delivered on time and to budget in a tough economic climate and its ambitious concept has been well executed. This has resulted in a high specification workplace, with a distinctive design that reflects the creative nature of the companies located there.

Unlike some other developments of its kind, The Sharp Project has maintained its focus upon the creative and digital sector and is occupied by over 50 companies involved in the production and distribution of digital content. A key indicator of The Sharp Project's success is the waiting list for office space and high levels of demand for production space, which have been generated without any direct marketing.

Attracting a critical mass of companies has contributed to The Sharp Project's achievement in prototyping a new way of working, whereby digital companies collaborate with each other as well as compete with business. This is a unique and defining feature of The Sharp Project which has allowed it to not only fill a previous gap in Manchester's business accommodation; but to also move beyond this to create a digital community and a business environment which stimulates growth.

The economic impacts of The Sharp Project are substantial both in employment and GVA terms, and there is a strong evidence base which demonstrates that The Sharp Project is helping to encourage business growth amongst its tenants.

In 2012/13, The Sharp Project accommodated 962 jobs, equivalent to 375 full time positions and leading to an annual GVA impact of £21.4m. The tenant survey (which received responses from 30 of the 54 businesses) highlights that at least 56 jobs have been created since businesses located at The Sharp Project. This is a substantial number and accounts for approximately 30% of the total jobs currently accommodated in the tenant companies.

Other forms of business growth have included increases in turnover, productivity and the number of products/services offered. The Sharp Project has generated higher than average levels of additionality, with just over half of the businesses that had experienced positive commercial outcomes (54%), reporting that the growth would have occurred on a smaller scale and/or would have taken longer to achieve if they were not located at The Sharp Project.

Overall, The Sharp Project has either directly stimulated and/or supported this growth by helping business to develop and strengthen existing relationships with new and existing clients and encouraging tenants to trade and/or collaborate with each other.

As set out on the right, The Sharp Project has successfully met its original objectives.

MEETING PROJECT OBJECTIVES

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

The Sharp Project has led to the transformation of a vacant building into a digital media production hub providing 203,039 sq ft of cost effective studio, office and workshop accommodation combined with world-class technical infrastructure.

2 **To provide the connectivity and power supply that this sector needs to do business**

The Sharp Project is at the centre of Manchester's connectivity network for the digital media and data sectors. It offers high speed broadband and direct connections to more than 450 core networks in more than 45 countries.

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

The Sharp Project has successfully met both of these targets. The Sharp Project is currently home to 54 businesses, accommodating 962 jobs. This is estimated to generate an annual GVA impact of £21.4m.

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

Since its inception, companies from outside the region have located at The Sharp Project. This includes the recent arrival of US based EON Reality, which now has its European Headquarters at Central Park in Manchester.

5 **To establish a training/mentoring programme for highly talented young people**

SharpFutures was established as a social enterprise in 2012 to seed, nurture and growth talent for the creative and digital sector. It currently employs five apprentices, with plans for this to increase over the next twelve months.

6 **To build on the momentum created by MediacityUK to strengthen the region's digital and creative offer**

The Sharp Project is now regarded as a key employment location for creative and digital activities. It makes a clear contribution to the sector in Manchester, strengthening its reputation as a UK's second digital and media city.

Alongside the economic benefits achieved, there are a number of qualitative and strategic benefits which have been realised through The Sharp Project for local residents and the wider Manchester and Greater Manchester economies. These are wide ranging in nature and include:

- **Contributing to the growth of the City's digital sector**
- **Strengthening the City's position as the UK's second city for digital content production**
- **Contributing to the City's reputation for digital innovation**
- **Creating a new brand for Manchester**
- **Securing a European Headquarter Facility of a global interactive company**
- **Stimulating skills development within the sector and supporting young people into employment**
- **Contributing to economic development and regeneration plans**
- **Contributing to environmental and sustainability objectives**

In particular, these benefits include the establishment of SharpFutures, which fulfils a valued and worthwhile cause. This has been beneficial for a number of reasons, not least the experience which is being offered to the apprentices who are employed by the organisation.

While these apprenticeships are ongoing, there is evidence that the scheme is providing valuable work experience, helping the apprentices to develop the skills they require to work in the sector and raising their awareness of the opportunities that are available to them.

An unexpected benefit is also the network of contacts which the apprentices are developing within The Sharp Project, which they hope will help them with their future pursuits within the sector.

Through their wider activities, SharpFutures is also helping to develop links with schools, the local community and skills and educational establishments throughout Manchester.

Such activities and associated benefits will continue to grow in the future, especially as the further phases of The Sharp Project are delivered, and SharpFutures will have an important role to play in ensuring that the future skills needs of businesses can be fulfilled by local residents.

Final Remarks

The Sharp Project is a remarkable phenomenon combining considerable economic impact with a powerful brand that has the potential to secure further investment and employment for the city.

The number of jobs and companies involved is considerable and the sense of community and identity has contributed to the success of the investment. The City Council's faith in the idea has already been well rewarded, resulting in:

- the transformation of a vacant building into a digital media production hub providing 203,039 sq ft of cost effective studio, office and workshop accommodation combined with world-class technical infrastructure
- a centre 54 businesses, accommodating 54 businesses and 962 jobs, with generating an annual GVA impact of £21.4m.

In addition to the economic, social and regeneration benefits already realised, the evidence suggests that The Sharp Project will continue to increase its impact in future years. The growth projections for the sector are positive and current tenants are optimistic about the future. The plans in place for the next phases of The Sharp Project will also make a positive contribution as well as being a testament to The Sharp Project's success to date.

Overall, The Sharp Project now provides a tried and tested model for digital media production hubs. It has created a strong platform for future developments in Manchester and building upon the momentum generated to date will further strengthen the digital sector and make a significant contribution towards the City's ambition to become one of the world's most digital cities by 2020.