



South East regional response to Digital Britain

The South East region has an estimated 20,000 businesses contributing over £8 billion to the UK digital economy; these regional strengths in 'digital content' have led the South East of England's Regional Development Agency (SEEDA) to prioritize the sector, creating the South East Media Network (SEM N) to provide a strategic focus.

As Business Secretary, Peter Mandelson said the scope of the Digital Britain report reflects:

"..a strategy for building a knowledge economy where our most valuable assets are the skills and innovation that underpin our digital industries is absolutely vital if Britain is to benefit fully from some of the greatest economic opportunities on offer this century."

The work developing around the Digital Britain report will shape the South East region's future actions and as in Lord Stephen Carter's statement:

"Delivering Digital Britain will depend upon a smart industry, working with a committed Government to produce lasting solutions."

We believe that only by working together can we stimulate the necessary engagement of industry and the public sector.



Executive Summary

Digital Britain is greatly welcomed, the ambition and scope of the report are timely. The issues and comments below reflect continuing input collated from members and partners of the South East Media Network.

Universal service commitment and superfast broadband. That a superfast broadband system with upload speeds approaching download speeds is the way to prepare the UK for the future is accepted. How to get there, when, and who should pay are the questions, and the answers to these will depend on the speed and impact of the BT's fibre optic investment and the Virgin 50Mb/s roll-out. The boundaries between commercial infrastructure improvements and the rest of the community in terms of the minimum universal service needs to be monitored and as soon as possible clarified so that community or local infrastructure solutions can come forward. The relationship between BT Openreach and the rest of the service providers is critical and there is a case for BT Openreach to be made independent, and at a minimum to ensure that it will not inhibit or be in opposition to local or community infrastructure solutions.

Digital Inclusion and broadband penetration. When looking at the demographics not currently engaging, the BBC are perfectly positioned to assist with this objective, but we should not lose this opportunity to engage with other content providers to enhance the offer. If this is an open process it will create working groups of content and delivery partners who could assist with other societal challenges. Sustainable business models and cost barriers also require further consideration as the saving due to effective delivery of public services on-line may well outweigh the costs.

Rights. In the context of waves of disruptive technologies challenging the accepted relationships in the content value chain, a mechanism or body to arbitrate and review the position would be welcome.

Changes in production and distribution technology have raised the fundamental questions of 'who' has rights and at what point are



these rights transferred throughout the process from idea to consumer. Whilst historic positions must be taken into account we should not presuppose that they provide a fair and equitable solution leading into the future.

In order to ensure that we do not limit our ability to exploit the power of the internet and stimulate new business models, an ongoing review of rights must take place between regulators, creators (including technologists), distributors and consumers to deliver that reasonable, equitable and fair position between creators, financiers, distributors and consumers of content.

We must recognise that digital rights management and stronger law enforcement are unlikely to have long-term success; rather, we must encourage and support the development of new business models that can exploit the public desire, expectation and ability to share and copy content.

Policing the Internet. There is a perception that the 'Internet Police' are watching, and it is creating a climate of fear in the users which is acting as an inhibitor and reducing our ability 'to benefit fully from some of the greatest economic opportunities on offer this century.' The fact that the ISP's can police the Internet at a microscopic level places an equal burden of responsibility on them for the protection of personal information and this must be shown to be the case as it is perception that will dictate behaviour. On the other hand the ISPs should not be required to do the work of rights-owners in safeguarding the rights owners' own interests.

UK Content for UK Audiences. Support for UK content and creative risk taking is essential to exploiting our international reputation within new market opportunities as they arise and hence increase our balance of trade. Widening access to current funding and support (including direct commissions, individual grants and tax credits provision) to provide for the broader 'digital' opportunity for content and talent development. Explore the bridging or linking of public sector funding and support with commercial investment to provide more sustainable financing solutions. This could be done at a European level.



Beyond the BBC there is a need to provide very local services such as news and weather, which should be accessible, cost effective and publically underwritten. ITV have put forward that under existing terms they are no longer the best option for providing this service, in that case funds that have previously been provided for this should be made available to a wider market offering new solutions.

Media Literacy. Screen Agencies and media education providers, in particular, have welcomed this area as an area of strategic importance for development. All look forward to hearing more detail and wider industry engagement.

The general view from those consulted is that this should be in line with the inclusion agenda and focus on two main sectors one: the 'People Unconcerned with the Digital Environment' and who do not see themselves as suffering in any way from this lack of interest, two: other People suffering from the digital divide or not engaging in society.

Skills – There will be a need for individuals to possess combinations of deep specialist skills and broad transferrable skills, ('T' shaped skills), with a much greater emphasis than before on cross-disciplinary awareness and inter-disciplinary communication. However, achieving this may require substantial changes to the UK's education system, beyond those already being planned, and we would welcome more discussion of this in the final report. This does not of course eliminate the need for generalists but does require a new approach if we are to achieve this new type of specialist.

In all future skills, levels of excellence will be valued and should be clearly benchmarked by a system, which allows for differentiation.

As with all public sector support in this area, there is a need to bring together agencies at a strategic level to provide a cohesive approach to the future.



Background Information:

The Process: this is an opportunity for those in the digital content industry in the South East of England to contribute to the discussion on the Digital Britain report either via email or in person (at a workshop held on 2nd March in London). This builds on the knowledge gathered by SEMN in its role providing strategic focus for digital content

The responses have been collated and condensed into the Executive Summary and notes from the workshop and the attendance list are also included.

Notes from SEMN workshop on Digital Britain held on 2nd March 2009

Areas discussed:

Digital Networks & Universal Connectivity: *Broadband and Infrastructure*

Peter Waller SEEDA and Sam Inglyby Intellect set the scene and outline the main issues.

Digital Content: *Business models and Terms of Trade*

Dawn Simpson PACT, outlined the concerns of the PACT membership

Equipping everyone to benefit from Digital Britain & Universal Connectivity: *Access, Media Literacy and Skills*

John Hirsch HirschWorks consultant providing Independent expertise for interactive media projects with expertise in skills.

Questions put to the group to gather opinion following on from general discussions:

In general the abstentions reflect a lack of sufficient information surrounding the issue, or a conflict of interest due to their current employment, as this was not verified in each case they can not be removed. Late votes have been added to the total.

1. BT Open Reach should be made independent?
Yes – 15 No – 1 Abstain – 11



2. Is 2Mb/s universal provision for 2012 sufficient?
Yes – 9 No – 13 Abstain – 5

3. Should the Government contribute to universal provision?
Yes – 25 No – 1 Abstain – 4

4. Should the Government contribute to next generation access or 'superfast broadband'?
Yes – 16 No – 4 Abstain – 8

5. Should there be a firm commitment rather than possible provisions?
Yes – 23 No – 1 Abstain – 5

6. Should the Government guarantee/reserve digital spectrum for wireless broadband provision?
Yes – 21 No – 1 Abstain – 8

7. Is a more symmetrical service needed?
Yes – 25 No – 0 Abstain – 6

8. Should there be Government funding for local content? (existing money NOT new money)
Yes – 17 No – 0 Abstain – 12

9. Is there a concern over Civil Liberties and Public Safety?
Yes – 27 No – 0 Abstain – 1

10. Allow for emerging business models but make the definitions of ownership – clear and specific?
Yes – 25 No – 0 Abstain – 5



11. Should the ISPs be responsible for file sharing?
Yes – 2 No – 11 Abstain – 17

* currently 95% of ISPs block certain content – acting as quasi Internet Police



Appendix A:

SOUTH EAST (OF ENGLAND) MEDIA NETWORK (**SEM N**)

Set up in 2005 to 'grow the global market share of the digital content companies from the South East of England', SEM N has been driven from its inception by an experienced industry board (Reed Business International (publisher), Microsoft (software), ITV (broadcaster), Kuju (games developer), Ambulant (mobile), Sly Fox Films (film and TV production), Jack Brand (online content), FFastFill (on-line software services)).

SEM N is funded by SEEDA (the regional development agency) in an innovative approach to arms length support for the digital content industry sector. The network sets priorities and activities firstly with the board in collaboration and then with the SEM N Council which has 26 members comprising national trade associations, local networks and the regional screen agency Screen South.

SEM N founder members are: Digital Content Forum, Oxford Innovation, Screen South, TIGA, Wired Sussex, and Wired Wessex.

SEM N Council members are:

National Trade Associations: Angilis (Serious Games Trade Association), Association of Streaming Media, Data Publishers Association, IVCA (International Visual Communications Association), Intellect, Mobile Data Association, New Producers Alliance, Pact (Producers Alliance of Cinema and Television), The Production Guild, TIGA and UK Screen (affiliate).

Networks: e-Hampshire, Maidstone Media Tree, OxIT, SCAN (South east Creative writing Academic Network), Wired Sussex, Wessex Media Group and Wired Wessex

Regional Screen Agency: Screen South

SEEDA sponsored organisations: Business Links, the Enterprise Hub Network, Innovation Advisory Service, SEEDA's Investment Development Managers, Surrey Economic Partnership, UK Trade and Investment South East



The Digital Content Sector in the South East of England.

Digital Content is defined as the diverse and constantly evolving sector which includes content software, electronic games, e-learning, electronic publishing, film, mobile content, music, television and radio programming, and web applications. In short the digital content sector spans all the companies that use a combination of IT hardware, software platforms, telecommunications networks, digital display and sound systems to develop, produce and distribute digital content.

Regional strengths and global companies.

With its international air transport, high quality of life, leading centres of education and proximity to London, the South East of England hosts a breadth and diversity of hi tech and creative UK and international companies. The clusters or groupings of activity give a sense of the dynamic nature of the vibrant business communities and creative potential within the region. Results from the Experian Report commissioned by SEEDA in 2006 showed that Digital Content for South East of England is worth £8.7 billion a year to the UK economy representing over 20% of the total figure for the UK and is set to grow to £11 billion over the next five years. This sector is well educated with more than half the industry being university graduates. It employs 170,000 people working within 21,650 companies in the region.

International companies and headquarters.

The South East of England is home to a very strong contingent of international players. In the mobile arena there is Vodafone's HQ in Newbury, Nokia in Farnborough and O₂ in Slough, the UK cable industry is represented by Virgin Media (NTL/Telewest) in Hampshire, and Verizon UK in Reading, satellite, terrestrial broadcast, mobile and wireless solutions are provided by Arqiva from their HQ in Hampshire and base in Buckinghamshire. Hewlett Packard with a base in Bracknell is one of the world's major hardware and software companies with a strong focus on digital imaging. The region also hosts Sony (Hampshire), Ericsson (Basingstoke, Guildford, Newbury, Reading, Maidenhead), Samsung (Surrey), LG (Berkshire), Fujitsu and IBM who have been 'pushing the boundaries of technology' at IBM Hursley for over 40 years. These all illustrate the value of the region as a global centre of the technology companies that support and enable digital content industry.



In addition the presence of international corporate software companies with European and International headquarters such as Microsoft, Sun Microsystems, Oracle and Corel along the M4 corridor have created a focus for hundreds of SME **Software** companies.

Games Developers and Online Worlds based in Brighton (Disney Blackrock Studio, Zoe Mode, Relentless, NCsoft, Linden Lab, Club Penguin) are supported by membership organisation Wired Sussex and companies such as Babel Media (leader in specialist outsourced services to the global games and interactive entertainment industry), Eurogamer (a website focused on video games news, reviews, previews and interviews) and the University of Brighton have created a dynamic cluster. In the Guildford area Lionhead Studios, UK headquarters of Electronic Arts and Kuju along with research from the University of Surrey are engaging with many innovative software application companies.

Publishing is centred in Oxfordshire which is home to 207 out of the estimated 250 publishing companies in the South East, including Oxford University Press, Blackwell Publishing, Elsevier Science, John Wiley & Sons, Harcourt Education, Macmillan. It is also a hub for journalism, factual programme makers and relevant software companies

Film and TV production, with Pinewood and Shepperton Studios providing a focus for the £150 million annual spend on feature film in the South East and a base for support companies such as Technicolor, Arri (camera hire), Panalux Ltd., Nvisage (pre-visualisation services), Effects Associates (a Cinesite/Kodak company), Model Makers (a Cinesite/Kodak company), Film World Freight, Renowned Freight, The Travel Company along with the unique underwater stage at Pinewood managed by Diving Services Ltd and key production companies such as Applecross, Ragdoll, Bentley Productions, Anderson Entertainment. Film, TV and associated media production in the region is supported by Screen South with locations support from the Screen South Film Commission. The Production Guild provides a free, tailored senior production and accounting crewing service across its 670 members, and access to its 55 film and TV production facility and service company affiliates.

The region boasts a range of International Award winning TV, Film corporate media production companies from Seventh Art and Speak It Production in Brighton to Big Wave in Chichester to Mebh Films in



Kent. Other regional production clusters are situated around **Maidstone** Studios, which houses a range of busy TV Companies including Foundation TV, Hit , Talkback Thames, and **Southampton/Winchester** area in Hampshire with ITV Meridian's headquarters, Topical Television and more, supported by Wessex Media Group and Screen South.

The **Digital media** cluster centred in **Brighton** includes companies specialising in web / internet (iCrossing, Madgex, Worthmedia), animation (Little Loud, Plug-in, Renegade) , e-learning and interactive (Epic, CogApp), Virtual Worlds (Club Penguin, Second Life) games development (Relentless, Black Rock, NC soft), television (Seventh Art, First Screen), music (Fat Boy Slim, Ambient), film (Spice Factory, Great British Films) and digital TV (Electric Sky, Byte TV). This is supported by a coherent infrastructure from Wired Sussex, Screen South, Lighthouse, Brighton Music Network, Bang (Brighton Animators Network) and Brighton and Hove City Council.



Appendix B:

Contributors: Those marked in red attended the workshop on 2/03/09 all others have been consulted via email.

Registration		02/03/2009
NAME		COMPANY
Neil	Berry	LDA
Vicky	Bloor	S E Dance
Lindsay	Braine	EMC
Arthur	Butterfield	SEEDA
David	Castro	SEM N
Chester	Chipperfield	Emak Mafu
John	Cluny	Interconnect Comms
Brian	Condon	Complexity Group
Michelle	D'Acosta	Freelance
Babak	Davarpanah	UEL
Gina	Fegan	SEM N
Martyn	Gates	ARCAM International
Lizbeth	Goodman	Smartlab
Mark	Greco	Freelance
Nigel	Hartnell	SEM N
Dr Tracy	Harwood	ICT
Alexander	Hay	Winchester College
Kay	Henning	SEM N
Jonathan	Hirsch	Hirsch Works
Ewart	Needham	TAPS
Rowland	Jobson	Seafood TV
Keren	Jones	SEEDA
Phil	Jones	Wired Sussex
Katz	Kiely	Just B
Christine	Losecaat	UKTI, Television Export Group
Archie	Macaulay	Vox IQ Ltd
David	Martin	Production Guild
Rachel	McCrinkle	Reading University



Jo	Nolan	Screen South
Placi	O'Neill-Espejo	Cherwell Innovation
Alan	Patrick	Broadsight
Karen	Purves	Have more clients
Ajay	Rai	I Docs
Lauren	Read	Surrey E P
Jeremy	Renwick	Kubernetes
Victoria	Richardson	Proxama
Judith	Rooney	UKTI
Dawn	Simpson	Pact
Tim	Spark	Mercury Media
Suzanne	Stein	Smartlab
Malcolm	Stewart	Vision Radio Ltd
Mark	Stringer	Agile Lab
Dan	Sutch	Future Lab
Peter	Waller	SEEDA
Neal	White	The Media School
Deborah	Wilson	The Talking Walls
Young	Woong	Freelance



APPENDIX C:

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Why Now?

IITV is a technology that exists now, yet it has not even begun to explore its potential. This is set against a background which includes the following:

- Digital switchover is already underway, and TVs hold pride of place in over 97% of homes.
- This compares to only 60 - 65% broadband take-up, a figure which is currently going down.
- Those digitally and socially excluded remain a significant percentage of our society.

With the Digital Britain interim report being reviewed as we speak, feedback suggests that the case for supporting a return path to TV will be made stronger in the final report.

Why easy2™ IITV?

Interactive Internet TV is a simple technology, that with proper deployment supports the widest possible online user base:

- Enables people who are [not PC literate](#) to easily use the power of the internet.
- Offers convenience to experienced users through [communication and transaction](#) at the TV.
- Supported by an architecture that also publishes for traditional PC web and mobile
- helps and supports vulnerable people in our [community](#), such as [tenants](#) and [patients](#) at home.

The team behind easy2™ IITV are already plugged in to one of the largest European funded projects exploring next generation connectivity in the UK, and are keen to work in other project areas focusing on different aspects of service delivery.



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