

## CHANNEL 4 SHOULD MOVE TO ‘SILICON SALFORD’, SAYS NEW REPORT

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The UK Government should encourage Channel 4 to move to Salford and must support further investment in the North, says influential think tank ResPublica in a new report.

Despite billions of pounds worth of investment and an impressive employment growth forecast of 22%, the report highlights the need to ensure that Salford’s success is safeguarded by making it the new ‘default option’ when it comes to investment in the digital and creative industries. In *Escape Velocity: Growing Salford’s Digital and Creative Economy*, ResPublica recommends a set of radical steps to grow and maintain the cluster, a model that can be adopted in other industries and regions.

“The cluster on the Quays remains vulnerable to multiple forces that – if not actively checked by local, regional and central government – threaten its continued growth and success” says ResPublica. This is partly due to “London’s abiding ability to drain talent and capital” from the rest of the country, which is only likely to increase given the uncertainty surrounding Brexit.

MediaCityUK in the City of Salford is making a hugely significant contribution to the regional economy, particularly in the areas of innovation and digital skills. There are around 250 creative, digital and technology businesses in MediaCityUK, employing approximately 7,000 people, with another 600 businesses in Salford’s wider digital and creative cluster, bringing total employment in the sector up to 9,000 - around 5% of total employment in Salford.

In light of Ministers threatening to use legislation to force Channel 4 to move out of London the report argues that relocating Channel 4’s operations to Salford, at least in part, would build on this prosperity. Analysis for the Department for Digital, Culture, Media and Sport estimates that the economic benefit created would range between £90m and £240m depending on the scale of relocation.<sup>1</sup> Moving out of London could create 7,500 jobs in Salford, adding to the creation of 15,100 jobs that have already been forecast by 2025. Channel 4 as an additional anchor institution would add to the existing ecosystem of firms and skills, creating a platform for greater success and boosting local growth.

Between 2007 and 2014, over £1 billion was invested into the immediate MediaCityUK site, and the 30,000 jobs in Salford Quays, across all sectors, represent a quarter of all employment in Salford. Investing in the Quays has also reversed the fortunes of the Greater Manchester area as whole. Placing key anchor institutions such as the BBC and ITV in the area, has led to a high concentration of jobs in the broadcasting and television programming activities, and employment levels over 2.5 times the national average.

The report also highlights the importance of clusters like Salford’s for the UK’s broader industrial strategy. A sector and place-based framework for growth is essential to ensure regions reap the benefits of agglomeration – “MediaCityUK exemplifies the kind of industrial strategy – rooted in both sector specialisation and place – that the Government is committed to pursuing. It demonstrates how to

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<sup>1</sup> Economic Analysis of the Options to Increase the Regional Impact of Channel 4 Corporation, Oliver & Ohlbaum Associates Ltd and Europe Economics, October 2017

enable a focused approach to the formation of innovative clusters at the local level. Furthermore, it shows how hubs can gather momentum and achieve ‘escape velocity’ – breaking away from London’s gravitational pull,” ResPublica asserts.

The report’s recommendations to cement Salford’s place at the forefront of the digital and creative sectors include:

- Salford should be the default option when considering the relocation of other Government-backed institutions (such as Channel 4 and the Government Digital Service) within the digital and creative sectors.
- Government should begin a review of which of its digital and media operations should be relocated to the cluster, beginning with the Government Digital Service, currently based in East London.
- Government should provide support to cities such as Salford in the development of next-generation Urban Regeneration Companies.
- Salford should formulate a ‘Salford Board’, consisting of key strategic partners and stakeholders in the city, to recreate the most effective characteristics of the Urban Regeneration Company.
- The Greater Manchester Combined Authority should review its marketing, economic planning and political engagement to place Salford and all of GM’s authorities at the heart of its brand identity.
- Pan-Northern cooperation is needed to ensure that cities across the North do not compete with each other to specialise in all sectors. Northern cities must identify their distinctive sectors and competitive advantages.

**Philip Blond, Director of ResPublica**, said: *“Salford is a prime example of the value of cities and regions specialising in areas where they have a competitive advantage and promoting economic growth outside of London. If the Government is truly committed to building prosperous communities across the UK as outlined in the Industrial Strategy White Paper I can think of no greater statement than encouraging Channel 4 to move to Salford to ensure that the city’s creative and digital cluster continues to thrive.”*

**Paul Dennett, City Mayor of Salford**, said: *“It’s fantastic to see the long-standing efforts of the City of Salford in economic and industrial planning being recognised in this ResPublica paper. For decades our economic and industrial endeavours in Salford Quays have often been against the grain of national opinion and an imbalanced national economy. Finally, I can see real potential for the tide to turn with the recent launch of the government’s Industrial Strategy and an acknowledgement of the importance of “place” and a desire to do things differently.”*

**\*\*\*ENDS\*\*\***

#### **Notes to editors**

The ResPublica Trust is an independent non-partisan think tank. Through research, policy innovation and programmes, ResPublica seeks to establish a new economic, social and cultural settlement.

*Escape Velocity: Growing Salford’s Digital and Creative Economy* is supported by Salford City Council. All conclusions and recommendations contained in the report are independent of Salford City Council.

This report is available to download from the ResPublica website [here](#) from 14th December 2017. For further details please contact Brendon Marsh at [brendon.marsh@respublica.org.uk](mailto:brendon.marsh@respublica.org.uk) or call 020 3857 8324 or 07835 059469.