

# GWENT POLICE AUTHORITY

## Strategic Planning & Performance Committee

**Date:** 5 November 2009

**Item No:** 5

**Heading:** Securing Intellectual Property Rights & Developing the Governance Framework with University of Wales, Newport

**Report Author:** Chief Constable and Chief Executive

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### **SUMMARY**

This report provides an update on the proposed governance arrangements relating to the COW DVD including the progress in securing the Intellectual Property Rights with the establishment of the Gwent Independent Film Trust (Private Company Limited by Guarantee).

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### **RECOMMENDATIONS**

The recommendations are as follows:

1. To note the transfer of the Intellectual Property Rights for the COW DVD have been transferred to the Police Authority.
  2. That members agree to the establishment of the Gwent Independent Film Trust (limited by guarantee).
  3. That members receive for further consideration a report to the full Police Authority meeting on 4<sup>th</sup> December on the establishment of the Trust.
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### **1. BACKGROUND**

- 1.1 Prior to 2009, Gwent Police was in discussion with the University of Wales, Newport about establishing a collaborative film consortium. It was the intention to use the COW DVD as the first production of the collaboration as University staff were involved in the production, with the Force utilising the knowledge of students and lecturers and also using facilities at the Film School in Caerleon.
- 1.2 The aim of the collaboration was to promote education and the Police Service in the UK.
- 1.3 The COW DVD production has proved very successful with web users across the world passing on links of the film and discussing its content in online blogs and forums. The film's popularity has soared following its launch and it has become a global success with over nine million hits on YouTube.

- 1.4 The COW DVD was produced in partnership with Tredegar Comprehensive School, University of Wales Newport, Blaenau Gwent County Borough Council, Gwent Shrievlty Trust and Legal & General.

## **2. PROPOSING FOR CONSIDERATION BY COMMITTEE / CURRENT POSITION**

### **SECURING THE INTELLECTUAL PROPERTY RIGHTS (IPR)**

- 2.1 The IPR is vital to secure the ownership of the film. It has been a priority to ensure these rights are secured in law and work has been ongoing for some months to protect the rights of Gwent Police Authority.
- 2.2 When the COW film was originally commissioned it was intended to be a domestic product targeted at the education market. Therefore, there was no need for commissioning documentation to take account of intellectual property rights. When it became clear that the potential of the project extended far beyond the original purpose of education and the Police Service in the UK, the Force was required to ensure that all relevant IPR entitlement was in place from partners, actors, crew and musicians to enable worldwide distribution.
- 2.3 Solicitors (experts in IPR) were procured through a tender process to act on behalf of Gwent Police Authority to deliver the relevant IPR and licence documentation. This has been a lengthy process due to the complexities in clarifying the rights of the parties in the making of the film.
- 2.4 However, agreement has now been reached that enables the IPR contract to be signed by both Gwent Police Authority and University of Wales, Newport. This has taken place on 29 October with the Chief Executive of Gwent Police Authority acting within the delegated authority. It has been agreed that the IPR will be held by Gwent Police Authority until such time as the collaborative agreement with University of Wales, Newport has been formally established. The plan is to establish this collaborative enterprise to be known as the Gwent Independent Film Trust, limited by guarantee within the next 2 months.
- 2.5 With the IPR secured the collaboration can legally manage the marketing, sales and distribution of the COW production. It should be noted that if the Trust defaults or is wound up then the IPR rights will revert to the partners.

### **Marketing, Sale and Distribution (Overseas Markets)**

- 2.6 To enable the Force to distribute the COW DVD product effectively to overseas markets, it has become necessary to appoint a distribution company that will act as an agent on our behalf. The distribution company will be licensed to sell, distribute and promote the product overseas within defined terms of licence i.e. no sales direct to the general public other than through institutions, age classification 14 years and over etc.

- 2.7 A company has been appointed through a tender process overseen by the Gwent Police Procurement department and subject to Part B European Union tender. This tender process was due to complete on 26 October 2009, and a verbal update on progress will be provided at the meeting. The distribution company will manage the sales of the film and provide the proceeds to Gwent Police Authority, net of commission at the rates agreed in the tender.
- 2.8 The UK market has been excluded from the tender for the reasons outlined below.

#### Marketing, Sales and Distribution in the UK

- 2.9 It has been necessary to retain a certain degree in flexibility of distribution in the UK market as the Force has a commitment to share good practice with other partners. In addition, as the Chief Constable is the Association of Chief Police Officers' lead for Roads Policing, the Force cannot be tied to a distribution company as individual requests may require a certain degree of flexibility in fulfilment e.g. it is not proposed to charge other police forces for licensing however, there may be other UK based organisations that may wish to purchase copies. Agreement has been reached with this approach by Gwent Police Authority and University of Wales, Newport and will need to be formally noted.
- 2.10 Subsequently, UK orders will be fulfilled through Gwent Police Corporate Communications and financial arrangements are being finalised. A pricing policy will be established for both public and also private bodies.

### **3. THE GOVERNANCE FRAMEWORK**

- 3.1 The governance arrangements for this and future productions will be managed through a body established in partnership with liabilities Limited by Guarantee. This framework will be completed in the next 2 months and progress in discussion has confirmed the following.

#### Gwent Independent Film Trust (Limited by Guarantee)

- 3.2 Following the success of the COW DVD, it was agreed that all partners would transfer their IPR into the Trust and worldwide income from the COW DVD would fund future productions. A Memorandum of Understanding will be developed and Objects finalised with the Trust developing structure reflected as follows:

- **Trust Objective**

To produce policing and community safety films for the Gwent region.

- **Trust Structure**

Private Company Limited by Guarantee.

- **Trust Ownership**

50% Gwent Police Authority / 50% University of Wales, Newport

- **Directors**

Two Directors representing Gwent Police Authority and two Directors representing University of Wales, Newport.

- **Non-Executive Directors**

As a condition of the surrender of IPR rights one will be the producer of the COW DVD, the other two directors to be voted on to the board. One of the Non Executive Directors will be the Chair to ensure the balance of control in the decision making process.

- 3.3 All costs that have been incurred by Gwent Police relating to the production, promotion and distribution of the COW DVD to date will be reclaimed from the Trust.
- 3.4 The IPR will be secured within the Gwent Independent Film Trust within 2 months of the IPR contract being signed. However, to maximise the sales revenue it has been agreed to let the contracts for worldwide distribution from the date the agreement is signed (week commencing 26 October).
- 3.5 This will be a joint venture and requires compliance with Accounting Standards.
- 3.6 It is suggested one of the Trust organisations will secure financial, legal and audit services based on an appropriate Service Level Agreements, securing value for money.

#### **4. SALES SECURED**

- 4.1 The film will be broadcast on BBC 2 Wales on 2 November 2009, with an option to negotiate a BBC network broadcast at a later date. A fee for this broadcast has been agreed.
- 4.2 Requests for the DVD have been received from across the world and once the IPR is in place and the contract to the distribution company awarded, these sales will commence.

#### **5. STAFFING / PERSONNEL IMPLICATIONS**

- 5.1 The resources of Corporate Communications, procurement and finance have been involved in this arrangement.

#### **6. FINANCIAL IMPLICATIONS**

- 6.1 All costs will be recharged to the Trust, including legal, procurement, finance and audit.

#### **7. CONSULTATION**

- 7.1 Consultation has involved the engagement of legal advice and also involved external auditors.

## **8. PROJECT ASSESSMENT FOR EQUALITY AND DIVERSITY MATTERS**

8.1 This proposal has been considered against the general duty to promote equality, as stipulated under the Gwent Police Authority Single Equality Scheme and Force's Equality Schemes, and has been assessed not to discriminate against any particular group.

## **9. RISK ASSESSMENT**

9.1 The following risks have been considered:

- Gwent Police Authority signing and holding the worldwide IPR until such time as the Trust is established
- Securing the IPR
- Awarding Worldwide Distribution rights
- Managing the UK Distribution rights
- The constitution of the Trust.

## **10. STAYING AHEAD (2011 REVIEW)**

10.1 There are no implications.

## **11. CONCLUSION**

11.1 This report presents the progress with securing the IPR for the COW film production, the distribution arrangements and the proposals being developed for the establishment of a Trust limited by guarantee.

## **12. CONTACT OFFICER**

12.1 Stuart John, Head of Corporate Communications.

## **13. BACKGROUND PAPERS**

13.1 None.

## **14. APPENDICES**

14.1 None.