skillset
The Sector Skills Council for Creative Media

Sector Skills Assessment for the Creative Media Industries in the UK

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Alliance
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Executive Summary

1. The Creative Media sector is a major contributor to the UK economy. The Government's recently announced *Growth Review* will include Digital and Creative Industries as one of six priority growth sectors which they believe are likely to justify prioritised actions to support growth.

2. The latest figures for the whole of the Creative Industries (which include the Creative Media sector), excluding Crafts, showed that Creative Media accounted for 5.6% of Gross Value Added (GVA) in 2008.[1] Exports of services by the Creative Industries totalled £17.3 billion in 2008. This equated to 4.1% of all goods and services exported.[2]

3. Growth in the Creative Media sector as part of the Creative Industries sector has been robust. In the summer quarter of 2010, creative employment totalled over 2 million jobs. This comprised of 1.3 million jobs in the Creative Industries and just under 1 million further creative jobs within businesses outside these industries. This represents an average growth rate for jobs of 2% since 1997 compared to 1% for the whole economy over this period. The Software, Computer Games & Electronic Publishing sector showed growth in employment of 5% per annum between 1997 and 2008, the highest across the Creative Industries.[3]

4. Recent forecasts by PwC suggested that the UK entertainment and media (E&M) market would grow by 3.7% per annum on average for the 4 years to 2014.[4] This compares to whole economy growth over this period predicted at just over 2%.[5] Given the reported business optimism from Skillset's October 2010 qualitative research phase these assumptions look realistic.[6]

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[1] DCMS Economic Estimates December 2010. These are the latest figures available from DCMS, however, it is possible that economic trends occurring since the data was produced may have had an impact on these estimates.

[2] Ibid

[3] Ibid

[4] Towards 2014, the search for value in the digital supply chain PwC 2010

[5] http://budgetresponsibility.independent.gov.uk/d/pre_budget_forecast_140610.pdf

[6] Skillset's employer and stakeholder qualitative framework 2010

Global growth in the E&M market is expected to reach 5% year-on-year and total $1.7 trillion by 2014.

5. The Creative Media sector is fundamentally a sector that remains dominated by small and medium size enterprises that illustrate the characteristics of an external labour market.[7] Competition for entry is common requiring high levels of adaptive capacity within the individuals who want to work in the sector, high levels of resilience and often the ability to work for a period without pay. It is a freelance sector.

6. Interestingly three in ten (30%) employers stated that their company's requirement for freelancers had *increased* over the last 12 months. A further 45% said that their need had not changed in the past 12 months. In addition, 24% of employers believed their company's requirement for freelancers would *increase* over the next 12 months and 65% believed it would *stay the same.* Employers from the Film Production (55%) and Animation (40%) sectors were most likely to anticipate an increase with Broadcast Radio (7%) the least likely.[8]

7. Of those employers reporting vacancies in Skillset's (2010) Creative Media Employer Survey, 46% reported vacancies that are hard to fill. These hard to fill vacancies were most frequently based in distribution, sales and marketing (38%), technical development (27%) and business management (13%). The majority of employers (82%) went on to report that these vacancies are hard to fill because applicants lack the skills or talent the company demands. Over two-thirds of employers also attributed the difficulty in filling these vacancies to applicants lacking relevant work experience (67%) and the required attitude, motivation or personality (65%).[9]

8. In response to these hard to fill vacancies, over three-quarters (76%) of Creative Media employers had undertaken specific actions over the last year such as using new recruitment methods/channels (61%), increasing

[7] An external labour market defines those situations where career progression opportunities do not exist within the organisation and promotion to more senior posts is usually through open competition. This is often due to the structure of particular industries particularly those with high densities of SMEs.

[8] Skillset's (2010) Creative Media Employer Survey

[9] Ibid

advertising/recruitment spend (38%) and skilling up the existing workforce (24%).

9. Mismatch of applicants' skills to the needs of the job is a common issue raised by employers, but evidence suggests that Skillset's Media and Film Academy Network and Accredited courses are changing this perception based on the employability of their graduates into sector relevant jobs when compared with many other education providers[10]. The 'fit' between course and what might be expected in the workplace is tighter and employers are thus more confident about what they will get from these institutions and courses.

10. Diversity remains a pressing concern for the sector, with just seven per cent of the Creative Media Workforce coming from a Black and Minority Ethnic background. Representation of women is also lower in Creative Media than across the economy as a whole (38% compared with 47%), and this varies considerably between sub-sectors and by age.

11. Innovation is crucial to the growth of the creative economy. Digital technology is re-shaping the economic landscape, demanding new business models and multi-disciplinary solutions. Animation, Film, Television, Visual Effects and Content for Computer Games[11] are all rapidly adjusting to fast-changing new developments and technological breakthroughs. VFX is a major skills shortage area due to its dependency on highly specialised technical and artistic skills which are in considerably short supply[12].

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[10] Over a quarter (26%) of students completing Skillset Accredited Courses are finding employment in Skillset relevant industries six months after graduating (industries that Skillset has a sole contracted responsibility for) compared to 10% of students on all other Skillset relevant courses who find employment six months after their course in Skillset relevant industries. Source: DLHE Survey, HESA 2007/08 from Skillset/Research As Evidence (October, 2010) Mapping Creative Industries and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK.

[11] In relation to Computer Games and VFX a more detailed analysis of this will be available in the BIS/DCMS commissioned NESTA review of chaired by Ian Livingstone and Alex Hope which Skillset has contributed to, to be published on 1st February 2011.

[12] VFX occupations are currently included in Tier 2 of occupations open to immigration from non-EU nationals and are included in the Home Office UK shortage occupation lists.

12. Skills gaps occurring in Creative Media Industries continue to be:

    Multi-skilling: an understanding of different technology platforms and their impact on content development and digital work flow, and new approaches to working in cross-functional creative / technical teams within and across companies.

    Multi-platform skills: an understanding of how to create, market and distribute content across a range of channels, and the ability to understand and exploit technological advances.

    Management, leadership, business and entrepreneurial skills: especially project management for multi-platform development; the hybrid skills combining effective leadership with innovation, creativity and understanding of technology, and the analytical skills to understand audience interests and translate it into business intelligence.

    IP and monetisation of multi-platform content: understanding of intellectual property legislation to protect from piracy, and exploiting intellectual property internationally to take full advantage of emerging markets - with particular focus on the ability to deal with the problem of illegal downloading and copyright infringement.

    Broadcast engineering: continuing to be an area of skills shortage.

    Sales and marketing: being particularly important in Commercial Radio and an emerging need in other sectors.

    Diagonal thinking: the ability to tell great stories, then know how to monetise those stories to the best effect utilising media that cross platforms and territories well.

13. In conclusion significant growth within the Creative Media Industries has been a sustained trend over the last decade. Skillset's new research and other sources reveal that the sector is broadly optimistic in its outlook and is looking forward to continued growth. The adequate provision of training continues to be a key issue, in particular for freelancers, given the reliance upon their skills by the sector and to provide re-training opportunities for new adult workers from other related sectors. If the Creative Media Industries are to continue to grow and retain their position as a world

leader, strategies for growth will need to acknowledge the atypical characteristics of the creative sector and the skills challenges that it faces.

1. Introduction

Skillset's aim is:

"To support the improvements to the productivity of our industry to ensure that it remains globally competitive. We do this by influencing and leading; developing skills, learning and development and education policy; and through opening up the industries to the UK's pool of diverse talent."

The Creative Media Sector in context

Box 1 below outlines the scope of Skillset and the accepted boundaries of the Creative Media sector.

Box 1: The Scope of Skillset

Skillset is the Sector Skills Council for the Creative Media Industries, representing 14 sectors which are grouped into six sectors of the DCMS Creative Industries classification. At the heart of the Creative Industries, the Creative Media sector includes companies involved in: Advertising, Textiles, Fashion, Film, Television, Radio, Photo Imaging, Interactive Media, Publishing, Animation, Content for Computer Games, Commercials and Promos, Corporate Production, Post Production and Visual Special Effects and Other Specialist Facilities. For ease in some cases the following sectors are referred to and grouped under the umbrella heading 'Audio Visual': Broadcast (TV and Radio), Film, Corporate Production, Commercials and Pop Promos, Facilities, Animation, Interactive Media and Content for Computer Games.

Within the wider definition of the Creative Industries, the Creative Media Industries are bound by common output in the form of creative content and increasingly the boundaries between these business and sectors are becoming blurred.

Whilst there are still key distribution platforms including; cinema, TV, books/print Media and online and mobile, companies creating content are doing so in a way that can be used for multiple platforms. The business context is providing an opening of channels for distribution and 'multi-platform content' that is a key determinant for growth.

The Creative Media sector is synonymous with the Creative Content sector and account for 70% of the value and estimated potential growth of the Creative Industries generally in the UK.[13] The Creative Media sector is a major

[13] www.ikt.org.uk/resource/files/2009/11/02/creative%20industries%20strategy.pdf

contributor to the UK economy. The latest figures supplied by the Department for Culture, Media and Sport in December 2010[14] for the whole of the Creative Industries (which include the Creative Media sector), excluding Crafts and Design, showed that Creative Industries accounted for 5.6% of Gross Value Added (GVA) in 2008.

In addition the Creative Industries grew by an average of 5% per annum between 1997 and 2007. This compares to an average of 3% for the whole of the economy over this period. Among the Creative Media sector as a whole, Software, Computer Games & Electronic Publishing has had the highest average growth (9% per annum), contributing 33% of the total Creative Industries exports.[15] Moreover exports of services by the Creative Industries totalled £17.3 billion in 2008. This equated to 4.1% of all goods and services exported.[16]

Growth in the Creative Media sector as part of the Creative Industries sector has been robust. In the summer quarter of 2010, creative employment totalled just under 2.3 million jobs. This comprised just under 1.3 million jobs in the Creative Industries and just under 1 million further creative jobs within businesses outside these industries. This represents an average growth rate for jobs of 2% since 1997 compared to 1% for the whole economy over this period. The Software, Computer Games & Electronic Publishing sector showed growth in employment of 5% per annum between 1997 and 2008, the highest across the Creative Industries. [17]

The routine availability of data from official sources with the precision needed by Skillset and the Creative Media Industries to respond to skills demand is limited. Indeed the unique character of the sector with its long tail of micro businesses

[14] DCMS Economic Estimates, December 2010. These are the latest figures available from DCMS, however, it is possible that economic trends occurring since the ABI data was produced may have had an impact on these estimates.

[15] DCMS Economic Estimates, February 2010. It is possible that economic trends occurring since the ABI data was produced may have had an impact on these estimates

[16] DCMS Economic Estimates, December 2010. These are the latest figures available from DCMS, however, it is possible that economic trends occurring since the ABI data was produced may have had an impact on these estimates.

[17] Ibid

and far more self-employed and contractors requires Skillset to deliver far more primary labour market research to fill gaps in knowledge than many, if not the majority of, other Sector Skills Councils (SSCs).

Skillset's unique research programme was established as long ago as 1999 by industry and Government departments of education and skills and culture, media and sport. Such research is mission critical for Skillset and the industry, given the many notable gaps in official data and the growth of new industries in the sector. See Box 2 for more detail.

Box 2: Creative Media and Gaps in Official Data Sources

Creative Media and Gaps in Official Data Sources

Official data sources that rely on Standard Industrial (SIC) and Standard Occupational Classifications (SOC) are broadly effective for Photo Imaging, Publishing and Advertising for the purpose of collecting and representing employment and some skills data but less useful for capturing data for the rest of the industry.

- Key elements of the Creative Media Industries sit in broad classifications that include activity outside of Creative Media preventing any discrete and crucial analysis e.g. Interactive Media, Content for Computer Games and Facilities.
- Official data sources to a greater or lesser extent systematically exclude the discrete and increasing freelance labour pool required to create and distribute the creative content upon which our digital economy is becoming increasingly reliant.
- In some cases sample sizes are too small to enable discrete analysis of data contained within SIC that do exist, particularly to the 5-digit SIC level.
- Few data can be cut by nation and region

The Creative Media Industries and DCMS with Skillset first reviewed data available for this part of the industry from the ONS and other sources in 1999 and concluded that additional data are required to measure as a priority the size, shape and specific skills demand of the Creative Media Industries its constituent sectors and large freelance labour pool to a granular and commonly understood sub-sectoral level, using bespoke methodologies to ensure adequate sample sizes. In some cases equivalent data cannot be generated e.g. GVA and GDP and so these measures exclude contributions from elements not served well by SIC e.g. Interactive Media, Facilities (excl. Post Production), Content for Computer Games and freelancers.

In some cases, the SIC and SOC systems simply do not provide the level of detail required, as noted above. In other cases within the SIC system, whilst the system itself provides the level of detail required, the sample size of surveys that underpin the key data sources, such as the ABI which measures productivity, are in fact too small to offer robust detailed analysis. As well as systematically excluding sole traders, as far as business activity goes, little data are available at 5-digit SIC level and for example production and distribution activity cannot be disaggregated.

2. What drives demand in the Creative Media Industries?

2.1 The Contribution of the Sector

Creative Media is one the UK's major industrial sectors. It is a highly productive provider of creative content that is innovative and world class and makes the UK a world-class player in Creative Media and the market leader in Europe. According to Prime Minister, David Cameron, the Creative Industries, at the heart of which is Creative Media, are central to the new opportunities for growth over the next 10 years. 'We have great industrial strengths across our country, underpinned by world-beating companies. Green technologies in the North East. Creative Industries in London, Manchester and Glasgow. Financial services in Edinburgh. In retail, pharmaceuticals and advanced engineering. We have made the strategic decision to get behind these strengths'.[18]

As Table 1 below shows, the Creative Industries (of which Creative Media is part) have established themselves as one of the most important industry sectors, both in terms of GVA contribution and total employment generated across the sector.

Table 1 – Comparison of individual economic indicators between the Creative Industries and other leading UK Industries

Industry type	Employment	Contribution to GVA
Aerospace - 1	1,124,000	1.7%#
Pharmaceuticals - 1	72,000	4%
Energy - 2	137,800	4.8%
EPES* & ICT - 2	1,820,000	10%
Construction - 1	1,862,000	1.8%#
Financial Services - 2	1,028,000	7.9%
Manufacturing - 2	3,000,000	12%
Creative Industries - 3	1,100,000	5.6%

1 2006; 2 2007; Source ONS and Industry Estimates. 3. DCMS Economic Estimates 2008 - Includes software and reproduction of computer media.

* Electronics, Photonics and Electrical Systems

GDP

[18] www.number10.gov.uk/news/speeches-and-transcripts/2010/10/creating-a-new-economic-dynamism-56115

Moreover in comparison to some other knowledge economy sectors the Creative Industries (of which the Creative Media sector is part) are now outstripping other high performing sectors in terms of the rate of job growth. According to the Government's own data Creative Industries created job growth of over 2% per annum between 1997 and 2007 compared with job growth of around 1% in financial services over the same period.[19] This amounts to jobs growth of over 400,000 new jobs compared with 120,000 in financial intermediation services for that period and year-on-year growth in GVA of 4% against 8% for financial intermediation services.[20] In short 1% growth in GVA creates roughly four times as many jobs as similar levels of growth in GVA in financial intermediation services.

In terms of the broader economy, creative functions are also deeply embedded in other sectors. One of the reasons for this is the level of innovation that creative occupations enjoy. Innovation has always been an important driver of productivity and performance but in creative occupations it is arguably *the* driver of value adding output. This is especially true of the core content producing areas. The increase in co-production with end-users who utilise the developments in digital technology and new viral marketing techniques that encourage positive feedback loops also accentuate the importance of innovation and the innovation process.[21]

2.2 Drivers of Growth, Drivers of Change

The UK's knowledge economy, in which Creative Media, financial services, health, education and high–medium tech manufacturing form the core, is driven by increasing levels of innovation and co-production with users and customers. Such co-production enables Creative Media Industries to respond more quickly to new developments. This is particularly the case with digital innovation.[22]

[19] Extrapolated by authors from labour market and other government statistics - www.statistics.gov.uk/statbase/Source.asp?vlnk=358 and Creative Industries Economic Estimates Statistical Bulletin, DCMS February 2010

[20] Ibid

[21] Miles,I and Green,L (2008) *Hidden Innovation in the Creative Industries*, NESTA, London

[22] www.berr.gov.uk/files/file51023.pdf

Certain segments of the Creative Media Industries are predicted to grow particularly strongly in the years ahead. Employment growth projections, extrapolated from LFS data only and excluding some sub-sectors and freelancers, assume employment growth across the sector of over 4% by 2012 from a benchmark of 2007.[23] This is against a backdrop of growth in the whole economy over the next 4 years that will see 2 million private sector jobs created at a growth rate of less than 2% per annum.[24]

2.3 The Creative Media Economy

2.3.1 Growth

Across the sector employers are showing growing confidence that growth is in the air. From qualitative research conducted in October 2010 in Scotland, Wales, England and Northern Ireland it was clear that most employers felt optimistic.[25] The underlying reason for optimism in growth for the Creative Media sector is the opening up of new markets and new opportunities globally as a result of digital communications and global supply networks. The global market for traded goods and services of the Creative Industries has enjoyed an unprecedented dynamism in recent years. The value of world exports of Creative Industries' goods and services reached $424.4 billion in 2005, accounting for 3.4% of world trade as compared with $227.4 billion in 1996 according to UNCTAD.[26] Exports of Creative Industries' products during the period 1996-2005 were led by Europe (The EU-27), dominating the market with 43% of world exports of these goods. The OECD estimates suggest that the UK is the world's biggest exporter of cultural goods, surpassing even the US: in 2002, it exported $8.5 billion of cultural goods (compared with $7.6 billion by the US, and $5.2 billion by China).

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[23] Working Futures (2007-2017) (2008) SC/IER/CE electronic resource. Please note that the Working Futures projections are based on a model that uses official Government data sources so they do not include Facilities, Interactive Content, Content for Computer Games, freelancers between jobs (LFS) or any freelancers at all (ABI). As such they are likely to be highly conservative estimates of growth.

[24] http://budgetresponsibility.independent.gov.uk/d/pre_budget_forecast_140610.pdf

[25] See methodology section for further information regarding Skillset's employer and stakeholder qualitative framework 2010.

[26] UNCTAD (2008) 'Creative Economy Report – The Challenge of Assessing the Creative Economy: towards informed policy-making' United Nations

And the developing nations have been playing a fast game of catch up. Asia became the second largest exporting region in 2002, when the total value of its exports of creative goods surpassed the total exports of creative goods from North America.

Future trends confirm the likelihood of further unbroken growth. For example India is anticipating more than 500% growth in broadband capability between 2008 and 2013.[27] China is set to have more than 700 million mobile phone subscribers soon and is adding nearly 100 million subscribers a year.[28]

Digital TV and video on demand (VOD) have also reached a powerful tipping point. Across Europe digital TV revenues jumped by a striking 20% in 2009, and digital now accounts for over half of all TV revenues as Digital TV services and VOD have made their first breakthrough tipping past the half way point at 51% of all TV revenues. VOD revenue growth jumped by 18% in 2009.[29]

The pace of convergence of technology and the rise of multi-platform opportunities raise the stakes in terms of skills provision. The introduction next year of YouView[30] is a key example of this. The need for a high skills base is particularly important in a world of convergent technologies. It is no longer enough to be an expert in a particular creative field: employees must also understand how to create, market and distribute content across a range of channels[31], with multi-platform skills needs now more marked than even a year ago. The broader content industry includes cultural institutions that foster, create and maintain digital content; businesses that produce content, and allied industries that provide or require content, with growing linkages between cultural institutions, Creative Industries, digital content producers, and other

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[27] www.indiabroadband.net/india-broadband-telecom-news/11682-india-register-500-growth-broadband-services-within-5-years.htm l

[28] www.pcworld.com/businesscenter/article/148851/china_mobile_phone_subscribers_pass_600_million_mark.tml

[29] European Broadband Cable 2010 – Cable Europe – Screen Digest

[30] YouView is a partnership between the BBC, ITV, BT, Channel 4, Five, Arqiva and Talk Talk to develop a common interface for Internet Protocol Television (IPTV) in the UK. To be launched in 2011, YouView will attempt to replicate the success of Freeview for internet television. See www.youview.com

[31] CBI (2010) Creating Growth – A Blueprint for the Creative Industries

industry sectors.[32] The future emphasis must be on growth and the need to have a range of skills and fusion of skills.

2.3.2 The Business Context - Digital Britain

Digital Britain, established by the previous administration, set an ambitious agenda, to ensure the UK is at the leading edge of the global digital economy. The current coalition government are similarly committed to very quickly improving the UK's digital infrastructure and encouraging digital innovation.[33] The Creative Media sectors most affected by rapid technological change are those utilising digital technologies. Content for Computer Games, Animation, Film, Television and Visual Effects are all rapidly adjusting to fast-changing new developments and technological breakthroughs. The UK has the largest Visual Effects industry outside Hollywood in the United States. 3D will fast become the industry norm in Television as well as Film. According to Skillset's qualitative research evidence the supply side is struggling to keep pace with the speed of such change.[34]

E-learning is another facet of Digital Britain. Developing sufficiently flexible, responsive and adapted e-learning solutions is critical. Major organisations such as the BBC are taking a valuable lead in this area but more will need to be done quickly to help keep learners and those engaged in continuous professional development abreast of the latest changes in the scope and scale of digital innovations.

2.3.3 Opportunities and Challenges - Globalisation

Globalisation offers significant opportunities for the Creative Media Industries. In summary these are:

- Growing potential markets for UK-produced content in all formats, across all media;
- An increasing range of foreign competitors with access to the UK market;

[32] OECD (2006) Working Party on the Information Economy – Digital Broadband Context – Digital content strategies and policies

[33] www.number10.gov.uk/news/speeches-and-transcripts/2010/10/creating-a-new-economic-dynamism-56115

[34] Skillset's employer and stakeholder qualitative framework 2010

- Increasing potential for sourcing services from the UK to overseas ('off shoring').

In all three cases, it is the emerging economies of India and China that will have greatest impact on the UK industry. The growing populations of both countries will help to ensure that they maintain their emerging roles as both suppliers and markets: by 2010, India had added 83 million workers to the global economy, China 56 million, and the EU just 100,000.[35] Crucially this is leading to the globalisation of high level skills, with massive increases in the global supply of highly educated workers able to compete on price as well as knowledge. China for example, now has more people in higher education than the United States.[36] These figures reflect the growing size and shape not only of the labour market, but also the media content market. However, it is currently expected that successfully entering the Chinese market in particular will require both patience and precision, not least as income levels will prohibit consumption of content on a Western scale, even as GDP and average earnings continue their steady increase. The current orthodoxy is to treat China and India as key suppliers in the short term and key markets only in the longer term.

Perhaps of more concern to the UK's Creative Media is the use by different governments of tax breaks and other fiscal incentives to lure producers to site their operations away from the UK. Clearly with global opportunities comes the threat of genuinely 'footloose' international sectors, such as much of the Creative Media sector. Government support and encouragement is thus vital for these sectors to remain indigenous and competitive. Both Canada and Malaysia for example offer their Computer Games industries tax breaks as does the UK for Film makers wanting to make films in the UK. The debate around the treatment of tax breaks for the UK Computer Games industry is subject to considerable current political controversy as the Coalition Government reviews their position.

[35] Morgan Stanley (2004) 'India & China: A Special Economic Analysis'

[36] Brown, P. et al (2010 'Skills are not enough: the globalisation of knowledge and the future UK economy' Praxis, No 4, Vol 10.

The economic dividend of doing so is substantial as recent European research confirms that those regions with high concentrations of creative and cultural industries have Europe's highest prosperity levels.[37]

2.3.4 Competition and Industrial Structure

It is likely that as the processes of convergence progress, competitive boundaries will become increasingly blurred. The common feature of the global opportunities presented by new and developing technology is that they will be beyond the scope and scale of almost all single companies, even large established multinationals or conglomerates. Alliances and partnerships will therefore need to be formed for opportunities to be realised, commonly with companies in technology and telecoms, and sometimes with companies that will be competitors in other markets.

Supply chains will necessarily lengthen and the freelance and contract based nature of so much of the Creative Media sector will offer both opportunity and threat to the industry. Supply chain and project management will become an increasing skill need for Creative Media organisations – what Susan Berger describes as coordination capabilities.[38]

These are the skills that will enable key individuals to coordinate the functions of often disaggregated supply chains. Indeed rather than just needing to coordinate matters inside a single company, individuals need to be able to coordinate activity across many different companies and suppliers – all part of the same supply chain – and as importantly across different cultures.

2.3.5 Convergence and Audience Fragmentation

According to figures from PwC[39] over the next four years to 2014 Internet Advertising will grow by 10.5% and advertising in video games will grow by 13.7%. This compares with 4.3% for TV advertising and reductions of 1.2% for Newspapers, 11.9% for Print Directories and 1.3% for Trade magazines.

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[37] European Cluster Observatory (2010) 'Priority Sector Report: Creative and Cultural Industries

[38] Berger, S et al (2005), *How We Compete,* Currency/Doubleday, New York, NY

[39] Stokes, P (2010) Towards 2014: the Search for Value in the Digital Value Chain, PwC

Audience fragmentation is driving growth in demand – in the last ten years, for example, cable and satellite subscription revenue has tripled, while DVD revenues have increased fifteen-fold and downloading has enabled audiences to access content in more personalised ways.[40] Consumption of video across multiple platforms is now a global phenomenon, with approximately 70% of global online customers now watching online video, but with North America and Europeans lagging in adoption.[41] As a consequence, user autonomy over access is the new gold standard for Creative Media organisations. Indeed beyond access the drive for more local television for example is enabling user-generated content in a medium hitherto the preserve of professionals. Local TV will measure demand for communities to produce content and also provide a huge demand for basic TV skills.

2.3.6 Lower Cost Technology and User-Led Innovation and Content

User-led innovation has become increasingly important and several of the UK's existing creative businesses such as web content and video games have been cited as examples of excellence.[42] This includes User Generated Content (UGC) through, for example Twitter and other social media sites and blogs. Indeed social media sites such as Facebook have also opened up their platforms to individuals and businesses to create Apps and have created and developed the structure to support the commercialisation of these applications. The key conclusion is that digitisation and platform proliferation are enabling the end-user far more control over when, where and how they access content. Indeed social networking sites such as MySpace, YouTube and Facebook allow large amounts of freedom to self-publish and co-create content which is an added source of competition for professional content providers. This process might best be described as access autonomy – freeing the user to make the critical decisions over where and when creative content consumption occurs.

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[40] Media Predictions, TMT Trends, Deloitte 2009.

[41] How People Watch: A Global Neilson Consumer Report – August 2010

[42] Annual Review, NESTA, Feb 2009.

2.3.7 Intellectual Property and Digital Management

Monetising intellectual property rights is a major obstacle for employers in Creative Media. Indeed the ability to monetise IP across platforms and content areas was probably one of the biggest challenges cited by employers in the qualitative research Skillset undertook for this report.[43] Digital archiving was another oft-cited issue for employers. Alongside this was a dearth of people who could genuinely think ‘diagonally’ and be both creative and entrepreneurial. Too often digital rights are very hard to disentangle.

2.4 The Creative Media Workforce

There are an estimated 48,800 Creative Media companies (not including sole-traders) and a breakdown by broad sector can be found in Table 2.[44] This compares with 136,000 companies according to the latest DCMS Economic Estimates which includes Advertising, Film, Television, Radio, Publishing, Photography, Design, Software, Electronic Publishing and Computer Games.[45] The vast majority (84%) of companies are small (fewer than 10 people) and just 2% of companies are large (100 people and more).[46]

[43] Skillset’s employer and stakeholder qualitative framework 2010

[44] Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives. NESTA (Content for Computer Games) and IDBR 2009 (Photo Imaging, Publishing and Advertising).

[45] DCMS Economic Estimates, December 2010. Also see Box 2 for detail on why Skillset and DCMS totals differ.

[46] Skillset (2009) Employment Census and IDBR 2009 (Photo Imaging, Publishing and Advertising).

Table 2 Company breakdown

Sector	Number of Companies
Television	1,300
Radio	800
Film	550
Animation	650
Interactive Media	7,450
Content for Computer Games[47]	500
Other Content Creation (Corporate, Commercials and Pop Promos)	500
Facilities	3,200
Publishing	11,600
Photo Imaging	8,700
Advertising	13,950
Archives & Libraries	100
Total	**48,800**

The distribution of enterprises by employment size band is similar to the employment distribution in the wider economy.[48] Based on official figures, some 24% of the total creative workforce in the UK is employed outside the Creative Media Industries.[49] This shows the considerable spillover effects that emanate from those holding a creative content skillsbase.

The Creative Media Industries have, like most other industries, suffered at the hands of the recession not least in terms of employment but nevertheless remains a significant employer across the UK.[50] Over half a million (an estimated 566,300)[51] people work in the industry and a further 127,450[52] are

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[47] Based on Skillset 2010 Company Database which provides geographical information regarding 221 Content for Computer Games companies within the population as identified by NESTA (485).

[48] www.statistics.gov.uk/cci/nugget.asp?id=1238

[49] Higgs,P, Cunningham, S and Bakshi, H (2008) *Beyond the Creative Industries: Mapping the Creative Economy*, NESTA, London

[50] Evidence includes Skillset's 'From Recession to Recovery', based on a sample of 262 employers consulted during 2009 :one third had made or expected to make some staff redundant as a result of the recession and just over one third had not renewed some freelance contracts.

[51] Skillset (2009) Employment Census, secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and Labour Force Survey, ONS July 2009 – June 2010. This figure is higher than that reported in official data sources (see Table 27 in Annex B and the UK Employment and Skills Almanac 2010 which estimate a Creative Media workforce approaching 450,000). As outlined in Annex B this is due to the categorisation of Interactive Media, Content for Computer Games and Facilities within broader classifications that also include activity outside of Creative Media and the systematic exclusion of freelancers.

employed in Creative Media occupations in other industries. In addition, creative occupations, a sub-set of which includes Creative Media and software publishing, have experienced unprecedented growth in recent years and employment has been growing at 2%, comparing favourably with a 1% average for the whole economy.[53]

The Creative Media Industries are reliant on a wide range of occupations from creative and technical such as construction, set crafts, web/interactive media and visual effects, through to management and business roles, all of which benefit from applied Creative Media specific knowledge. Please see Table 3 for a full breakdown of employment by occupation.

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[52] LFS, ONS July 2009 – June 2010

[53] Creative Industries Technology Strategy 2009-2012', Technology Strategy Board 2009; DCMS Statsitical Bulletin 2010.

Table 3 Occupational Breakdown

Occupational Group – Creative Media and Advertising	Total – Creative Media (%)	Total – Advertising[54] (%)
Strategic Management	5%	6%
Creative Development	2%	11%
Production	11%	6%
Legal	1%	0%
Broadcast Management	3%	0%
Broadcast Engineering & Transmission	2%	0%
Editorial, Journalism and Sport	5%	0%
Content Development	1%	22%
Art and Design	9%	9%
Animators	3%	0%
Costume/Wardrobe	1%	0%
Make Up & Hairdressing	1%	0%
Camera/Photography	10%	0%
Lighting	2%	0%
Audio/Sound/Music	3%	0%
Transport	*	0%
Studio Operations	*	0%
Technical Development	3%	0%
Editing	2%	0%
Laboratories and Imaging Services	5%	0%
Manufacture	1%	0%
Servicing	1%	3%
Retail and Exhibition	10%	0%
Libraries and Archives	2%	2%
Distribution, Sales and Marketing	2%	0%
Business Management	13%	41%
Other	2%	0%

Occupational Group - Publishing	Total (%)
Managers and Senior Officials	28%
Professional occupations	4%
Associate Professional and Technical	40%
Administrative and Secretarial	11%
Skilled Trades Occupations	3%
Personal Service Occupations	0%
Sales and Customer Service Occupations	5%
Process Plant and Machine Operatives	2%
Elementary Occupations	6%
Total Publishing	100%

Sources: Creative Media - Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Advertising – IPA (2009) Census. Publishing - LFS, ONS July 2009 – June 2010.

NB: Due to data restrictions data for Publishing cannot be disaggregated further.

[54] Occupations mapped to Skillset's Occupational Functional Map.

As shown in Table 4, the Creative Media Industries comprise a higher proportion of 'managers and senior officials' and particularly 'associate professionals and technical' in comparison to the wider UK economy.

Table 4 Occupational Breakdown compared to UK economy

Occupational Group	UK Economy	Creative Media
Managers and Senior Officials	15%	22%
Professional occupations	14%	6%
Associate Professional and Technical	15%	49%
Administrative and Secretarial	11%	7%
Skilled Trades Occupations	11%	4%
Personal Service Occupations	9%	< 0.5%
Sales and Customer Service Occupations	7%	5%
Process Plant and Machine Operatives	7%	2%
Elementary Occupations	11%	5%
Total	100%	100%

Source: LFS 2009 as reported in the UK Employment and Skills Almanac 2010. NB: Some of the Creative Media sector is excluded from these data due to the categorisation of Interactive Media, Content for Computer Games and Facilities within broader classifications that also include activity outside of Creative Media and the systematic exclusion of freelancers.

Creativity is recognised as an important driver of innovation and the Creative Industries show significantly higher values of innovation and creativity than other UK enterprises (70% as against 55%).[55] According to the Technology Strategy Board the Creative Sector, with Digital Creative Media Industries at it's heart, is an important stimulator of innovation in the wider economy, via firms they can work with as partners and/or suppliers.[56] The strong conclusion in a NESTA report[57] pointed to the Creative Industries, (a sub-set of which includes Creative Media and software publishing) and specifically the talent we have nurtured within it, becoming a key driver for the UK's recovery from recession and that the industries will take centre-stage as a major, high growth contributor to the UK economy over the next 5 years.

Moreover, perhaps more than any other sector, Creative Media includes much hidden innovation. A report by NESTA[58] concluded that such innovation was

[55] Includes all Creative Industries which includes software and reproduction of computer media, DTI Occasional Paper No. 6. Innovation in the UK: Indicators and Insights, July 2006.

[56] Investing in the Creative Industries; a Guide for Local Authorities, Work Foundation, June 2009.

[57] Attacking the Recession: How Innovation Can Fight the Downturn, NESTA Discussion Paper, December 2008.

[58] Miles,I and Green,L (2008) *Hidden Innovation in the Creative Industries*, NESTA, London

not picked up by traditional methods of measuring research and development. This was due to the way that content providers in the Creative Media sector co-produce much of their content with consumers. This method of co-production, which is having a spillover effect in other areas such as some public service provision, is also creating new forms of business model. Content is being used across different platforms and this is set to be a growing trend and a huge area of value-adding activity by the sector. Finally much of the innovation is unique to the particular product, service or solution being developed and not easily replicable.

The digital future relies heavily on the Creative Media Industries and its capacity to generate compelling educational, entertainment, commercial and public service content and services which can engage citizens, learners and consumers around the world. As has been argued above, innovation is intrinsic to the sector and encouraging it within education, the existing workforce and industry is critical. The answer to which lies in collaboration between creative and technical drivers of the digital work to research, develop and prototype whilst equipping the workforce of the future and the workforce of today with the right skills to innovate, create and communicate in a digital environment. These skills can best be described as diagonal thinking that can combine the best of creativity with the best of the more business and entrepreneurial skills.

As a recent report from CIHE notes, quoting senior BBC technical staff, producers, engineers and technologists will increasingly converge into teams working together to deliver interface, service and content – as one product – rather than different teams working in isolation and then hoping to tie the solution together.

It is therefore hardly a surprise, that e-Skills, Skillset and Creative & Cultural Skills have in recent years consistently begun to identify the development of hybrid skills – technical, business, creative, and interpersonal – as the vital pre-requisite of monetising content and services.[59]

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[59] CIHE (2010) 'The Fuse – Igniting High Growth for Creative, Digital and Information Technology Industries in the UK'

2.4.1 Product Market Structure

The core business of the Creative Media Industries is to create high quality and professionally produced content across the full range of platforms from mobile phones to Computer Games to Film and TV screens. In most sectors of the industry, there are businesses whose exclusive domain is content creation, others which provide a supporting role in that process, and others involved in the distribution, transmission or exhibition of that content. This can be illustrated by reference to the Film industry which comprises not only production companies, but significant numbers of businesses in the Facilities sector who provide services such as Studio and Equipment Hire or Post Production, and also companies involved in distributing and exhibiting films, or the Advertising industry which must now respond to both traditional opportunities in print, screen and television and also new digital platforms which have been growing exponentially (see above).

Sectors differ however in terms of the supply chain through which content is created: for example in Television, much production is now commissioned by a small number of broadcasters and undertaken externally in the Independent Production sector. In other sectors, in-house production remains the prevailing model. In some sectors, all content produced is for public consumption (such as Broadcast, Film, Animation, Commercials and Content for Computer Games), in others it is primarily or exclusively for business (such as Corporate Production) while sectors such as Advertising, Interactive Media and Publishing produce and disseminate content to both people and businesses.

Increasingly the linear value chain and specific supply relationships in place within the sub-sectors is being supplemented by an opportunity for the ‘content creators’ to apply their content to a variety of platforms and distribution channels. ‘Interactive or digital media companies’ are, from the outset, creating content for multiple use and not for example with a primary use and then to be ‘adapted’ for on-line purposes. Growing opportunities are seeing a new type of company and dynamic business model becoming the norm.

2.4.2 Employment Profile

Overall, 25%[60] of those working or available for work in the Creative Media Industries are 'freelance' and the remaining operate on an 'employee'[61] basis. Amongst employees in the Creative Media Industries, four fifths are employed on a full time basis and one fifth part time.[62] Table 5 below shows that many sectors of the Creative Media Industries are characterised by high levels of freelancing, especially those areas most closely involved in the production process for example Film Production (89%), Independent Production for Radio (61%), Photo Imaging (67%), Corporate Production (54%), Animation (46%) and Independent Production for TV (44%).[63] In other sectors such as Advertising the figure is closer to 20% or below.

Table 5: Percentage Freelance by Sector

Sector	% of workforce freelance	using freelancers
Television	**28**	**83%**
Terrestrial TV	19	80%
Cable & Satellite Television	11	~
Independent Production	44	85%
Community TV		~
TV Distribution		~
Radio	**23**	**53%**
Broadcast Radio	22	68%
Independent Production	61	~
Animation	**46**	**66%**
Interactive Media	**21**	**53%**

Sector	% of workforce freelance	using freelancers
Facilities	**29**	**57%**
Post Production	24	59%
Special Physical Effects	44	~
Studio & Equipment Hire	40	58%
Outside Broadcast	24	~
Processing Laboratories	12	~
Visual FX	12	~
Manufacture of AV Equip	7	~
Other Services for Film and Television	42	56%
Publishing	**13**	**43%**
Book publishing	21	44%
Newspaper publishing	5	42%
Journals & periodicals	15	39%

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[60] Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

[61] 'Freelance' = contract of less than 365 days and 'employee'=contract of 365 days or more.

[62] LFS 2009 as reported in the UK Employment and Skills Almanac 2010. As outlined in Annex B these figures exclude many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers.

[63] Skillset (2009) Employment Census, secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and LFS, ONS July 2009 – June 2010.

Sector	% of workforce freelance	using freelancers
Online Content	23	53%
Offline Multimedia	24	~
Mobile Content	16	~
Other Interactive Media	9	50%
Content for Computer Games	**4**	**77%**
Commercials Production and Pop Promos	41	72%
Corporate Production	54	85%
Film	**31**	**68%**
Cinema Exhibition	0	0
Film Distribution	21	NA
Film Production	89	82%

Sector	% of workforce freelance	using freelancers
Other publishing	17	45%
News Agencies	8	~
Publishing of Directories & Mailing Lists	11	~
Other info service activities	16	~
Photo Imaging	**67**	**31%**
Photographic activity	67	34%
Advertising	**20**	NA
Advertising Agencies	22	NA
Media Representation services	13	NA
Archives & Libraries	**17**	**42%**
Total	**25**	**47%**

Source: Skillset (2009) Employment Census, secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and LFS, ONS July 2009 – June 2010.

~ Cable & Satellite TV, Community TV and TV Distribution included in Terrestrial TV figure. Independent Radio production included in Broadcast Radio. Offline Multimedia and Mobile Content included in Other Interactive Media. Special Physical Effects, Outside Broadcast, Processing Labs, VFX & Manufacture of AV Equipment included in Other Services for Film & TV. News Agencies, Publishing of Directories and Mailing Lists and Other Info Service Activities included in Other Publishing.

As Table 6 shows, freelancing dominates some occupational groups more than others. More than half the workforce in some occupational groups is freelance such as camera/photography (73%), make up/hairdressing (63%), lighting (61%), costume/wardrobe (53%) and audio/sound/music (52%).[64] This is far higher than the whole economy average which stands at just under 5% of the total number of jobs.[65] Creative Media freelancers make up the third largest category of freelance community in the UK economy.[66]

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64 Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Figures exclude Publishing and Advertising.

65 www.contracteye.co.uk/contractor_numbers_uk.shtml

66 www.pcg.org.uk/cms/documents/POLICY_AND_CAMPAIGNS/research/UK_Freelance_Workforce_B08-21_1.1.pdf

Table 6: Percentage Freelance by Occupation

Occupational Groups	%
1. Strategic Management	14
2. Creative Development	39
3. Production	34
4. Legal	15
5. Broadcast Management	42
6. Engineering and Transmission	8
7. Editorial, Journalism and Sport	14
8. Content Development	33
9. Art and Design	37
10. Animators	24
11. Costume/Wardrobe	53
12. Make-Up and Hair Dressing	63
13. Camera/Photography	72
14. Lighting	61
15. Audio/Sound/Music	53
16. Transport	30
17. Studio Operations	20
18. Technical Development	13
19. Editing	42
20. Laboratories/Processing	8
21. Manufacture	11
22. Servicing	13
23. Libraries and Archives	7
24. Distribution, Sales and Marketing	5
25. Business Management	9
26. Retail and Exhibition	50
27. Other	84

Source: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest.

N.B. Does not include Publishing or Advertising.

Overall, 47% of employers in the Creative Media Industries reported using freelancers; this ranged from 85% in Independent Production for TV and Corporate Production to 28% in Other Photo Imaging.[67]

Freelancing dominates the Creative Media sector and contracts vary considerably. Overall, the average number of days worked was 174, a significant drop from 187 in 2005. This works out at 77% of a full working year (based on a working year of 226 days). Studio and Equipment Hire had the

[67] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

lowest number of days at 147 in 2007 down by 11% on 2005. Content for Computer Games had the highest utilisation rate at 205 days or over 90%. Even in this sector working days were down on 2005 – another indicator of the impact of the recession on the sector.[68]

Working patterns also vary considerably. The percentage of freelancers who had a contract for their current or most recent work varies greatly by sector. Overall, 69% said that they did. Contracts are most prevalent in Terrestrial TV (81%), Independent Production (75%), Other Interactive Media (75%), Content for Computer Games and Web and Internet (both 69%). They are least common in Studio and Equipment Hire (46%), Other Facilities (51%), Corporate Production and Cinema Exhibition (55%). The average contract length at one month was enjoyed by 38% of the freelance workforce, followed by more than one month but less than three (26%). Only 16% enjoy a contract of over six months.[69]

Overall, 55% of contracts contained provision for holiday credits, 23% for sick leave and 6% for maternity/paternity leave. Higher proportions of people than average working in Interactive Media, Broadcast Radio and Animation have provision for both holiday and sick leave. Though provision for maternity/ paternity leave is highest in Studio and Equipment Hire, Content for Computer Games and Interactive Media, employment of women in these sectors is extremely low.[70] More sub-sectoral analysis is contained in section 2.7 below.

Changes in employer demand for freelancers over the past year were explored in Skillset's (2010) Creative Media Employer Survey. Interestingly three in ten (30%) employers stated that their company's requirement for freelancers had *increased* over the last 12 months. A further 45% said that their need had not changed in the past 12 months and 22% said that their need had *decreased*. Employers from the Animation (43%), Independent TV Production (38%) and Interactive Media (37%) sectors were most likely to have experienced an *increase* in demand. Conversely those working in Commercial Production and

[68] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

[69] Ibid

[70] Ibid

other Content Creation (44%), Corporate Production (35%) and Other Photo Imaging (35%) were most likely to have experienced a decrease.[71]

In addition, 24% of employers believed their company's requirement for freelancers would *increase* over the next 12 months and 65% believed it would *stay the same.* Employers from the Film Production (55%) and Animation (40%) sectors were most likely to anticipate an increase with Broadcast Radio (7%) the least likely.[72]

Many in the workforce use their skills across sectors which is unsurprising due to the converging media industry. As is shown in Table 7 sectors where this is most apparent include Outside Broadcast (72%), Post Production (61%), Animation (57%) and Independent Production for Television (49%), in each of which one in four or more is freelance:

[71] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

[72] Ibid

Table 7: Percentage Work in other Creative Media Sectors[73]

Sector	% Worked in other Creative Media Industry	Sector	% Worked in other Creative Media Industry
Television		**Facilities**	
Terrestrial TV	34	Post Production	61
Cable & Satellite Television	32	Studio & Equipment Hire	43
Independent Production (TV)	49	Outside Broadcast	72
		Manufacture of AV Equipment	13
Radio		Other Facilities	40
Broadcast Radio and Independent Production (Radio)	23		
		Film	
Animation	**57**	Cinema Exhibition	3
		Film Production	86
Interactive Media			
Online Content	34	**Archives & Libraries**	**31**
Other Interactive Media	39		
		Total	**35**
Content for Computer Games	**19**		
Other Content Creation	**67**		
Corporate Production	70		

Source: Skillset (2008) Creative Media Workforce Survey and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. No data is available for Publishing, Photo Imaging or Advertising.

The typical workforce profile across the industries, with significant variations at sub-sector level is: white, male, young and highly qualified:

[73] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

Table 8: Workforce Age by Sub-Sector

	16-24	25-34	35-49	50+
	%	%	%	%
Television				
Terrestrial TV	2	23	48	25
Cable & Satellite TV	4	41	41	13
Independent TV Production/Community TV	7	31	40	22
Radio				
Broadcast Radio	7	30	42	21
Facilities				
Post Production	8	30	43	19
Studio/Equipment Hire	17	33	32	18
Outside Broadcast	1	25	43	30
Transmission	2	10	60	27
Equipment Manufacture	0	17	63	20
Other Facilities	8	31	34	27
Animation	5	42	37	16
Content for Computer Games	10	49	37	4
Interactive Media				
Online Content	4	49	37	9
Other Interactive Media	5	31	41	23
Other Content Creation				
Corporate Production	8	36	32	25
Other Content Creation	9	44	36	11
Archives & Libraries	4	22	50	24
Film				
Cinema Exhibition	39	39	17	6
Film Production	8	34	42	16
Photo Imaging	7	20	47	26
Publishing	9	24	39	28
Advertising	13	27	43	17
Total Creative Media	**9**	**29**	**41**	**21**
UK Economy	**13**	**22**	**37**	**28**

Sources: Skillset (2008) Creative Media Workforce Survey, Skillset/Film Council (2008) Feature Film Survey, LFS July 2009 – June 2010

- Representation of women is lower in Creative Media than across the economy as a whole (38%[74] compared with 47%) and varies considerably by sector with more than two fifths in Publishing (46%), Radio (44%), Photo Imaging and Advertising (both 42%). Female freelancers make up just over a third of the workforce overall and the proportion of female freelancers varies from just 31% of the total number in Advertising to well over half of those freelancing in Publishing.[75] The UK economy average is 38% female to 62% male freelancers.[76] Skillset's research[77] has also shown that representation is dropping, whereas the opposite is the case for the economy as a whole. Skillset research has also repeatedly shown that representation of older women is extremely low and has identified the cause of this to be the particular challenges of balancing starting and raising a family with working in the Creative Media Industries, for example due to long and unpredictable hours.[78]

- Fewer in the Creative Media Industries compared with the economy as a whole is from a Black Asian or Minority Ethnic Background (BAME) (7%[79] compared with 9%) and 31% of London's economy is from a BAME background, which is where a third of those working in the Creative Media Industries are based.[80] Skillset research has shown that representation of BAMEs in some sectors of Creative Media is on the decrease for example 7.2% to 4.6% in Commercials and Pop Promos and 5.9% to 3.5% in

[74] This figure comprises the whole of the Creative Media Industries and is preferred to using LFS data alone due to the exclusion of many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers (without these sectors women make up 42% of the workforce as reported in the UK Employment and Skills Almanac 2010).

[75] Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

[76] www.pcg.org.uk/cms/documents/POLICY_AND_CAMPAIGNS/research/UK_Freelance_Workforce_B08-21_1.1.pdf

[77] Skillset (2009) Employment Census. Excludes Film Production freelancers, Photo Imaging, Publishing and Advertising.

[78] Skillset (2006) Balancing Children and Work in the Creative Media Industries.

[79] This figure comprises the whole of the Creative Media Industries and is preferred to using LFS data alone due to the exclusion of many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers (without these sectors BAMEs make up 8% of the workforce as reported in the UK Employment and Skills Almanac 2010).

[80] Creative Media: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010; All UK: LFS, ONS July 2009 – June 2010

Corporate Production.[81] Interestingly 8% of freelance workers are from a BAME background across the Creative Media sector with a low of 5% in Audio Visual media and a high of 13% in Advertising.[82]

- Fewer than one in ten (9%) in the Creative Media Industries workforce is disabled (as defined by the Disability Discrimination Act) which is lower than across the economy as a whole where 14% is disabled (including both DDA disabled and work-limiting disabled). The figure is 11% for freelancers in the Creative Media Industries workforce.[83]

- The Creative Media workforce is young and just under two fifths (38%)[84] is under 35 years of age as can be seen in Table 8 above.[85] Differences are evident by contract type and sector; 42% of employees compared with 27% of freelancers is under 35 years of age and around half or more fall into this age category in Interactive Media (53%), Other Content Creation (53%), Studio and Equipment Hire (50%), Animation (47%) and Cable and Satellite TV (45%), although again there are differences between sectors: only 16% of those in Audio Visual media are over 50[86], but 28% of those in Publishing and 26% of those in Photo Imaging.[87]

- Moreover only a third of people working in the Creative Media sector have dependent children. There are 43% among those working in Advertising who have dependent children and 35% among those working in Photo Imaging. This falls to 27% in Audio Visual and Film Production.[88] The whole economy

[81] Skillset (2009) Employment Census. Excludes Film Production freelancers, Photo Imaging, Publishing and Advertising

[82] Creative Media: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010; All UK: LFS, ONS July 2009 – June 2010

[83] Creative Media: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010; All UK: LFS, ONS July 2009 – June 2010

[84] This figure comprises the whole of the Creative Media Industries and is preferred to using LFS data alone due to the exclusion of many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers (without these sectors 38% of the workforce are aged under 35 years as reported in the UK Employment and Skills Almanac 2010, which is the same as the broader figure presented).

[85] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

[86] Skillset (2008) Creative Media Workforce Survey

[87] LFS, ONS July 2009 – June 2010

[88] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

average is 42%. Freelancers are on average between 3-5% more likely than employees to have no dependent children, reflecting the somewhat greater uncertainty of their working lives.[89] This means a significant proportion of the 57% of people who are married or in long-term relationships have no dependent children, perhaps offering anecdotal evidence of the difficulties of balancing work and other facets of life in the Creative Media Industries. Evidence shows this is a particular problem for women who are mothers.[90]

- This assumption is given further credence when average hours worked is examined. Some 50% of the Creative Media workforce regularly work more than 9 hours a day. For one in ten (12%) 12 hour days are the norm not the exception.[91] This figure rises to 43% if you are in Film Production and a further 24% in this sub-sector work more than 13 hours a day. Freelancers work especially long hours with contractors getting their monies worth in the audio visual sectors and Film Production sectors in particular. In Audio Visual Industries 30% of freelancers regularly work more than 10 hours a day compared with just 10% of permanent staff and in Film Production the figure rises to more than two thirds of the total (67%) who regularly work more than 10 hours a day compared with 58% of the permanent workforce. For Photo Imaging the number working 9-10 hours a day is 30% and a mere 7% work for more than 10 hours per day on average.[92]

- The Creative Media sector is highly skilled and one of the most highly qualified in the economy; 60%[93] of workers in Creative Media have a degree or equivalent level 4 qualification compared with 36% of the population of working age across the economy.[94] Interestingly there is little difference between the proportion of degrees held by type of contract (61% of

[89] www.statistics.gov.uk/cci/nugget.asp?id=1163

[90] Skillset 2006, Balancing Children and Work in the Creative Media Industries

[91] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest.

[92] Ibid

[93] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest and LFS, ONS July 2009 – June 2010. This figure is preferred to using LFS data alone due to the exclusion of many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers (without these sectors 56% of the workforce have a degree or equivalent level 4 qualification as reported in the UK Employment and Skills Almanac 2010).

[94] LFS, ONS July 2009 – June 2010.

freelancers compared with 60% of permanent employees across the whole Creative Media Industries).[95]

- The average income within the Creative Media Industries workforce is £32,300 (varying from over £37,000 in Terrestrial TV and Computer Games down to £12,400 in Cinema Exhibition).[96] The average for the Film Production workforce is similar at £33,700.[97] Within the Creative Media sector the average earned by employees is significantly higher than that earned by freelancers - £33,300 compared with £29,450.[98] For the tax year ending 5 April 2010 the median gross annual earnings for full-time employees across the UK economy were lower than the Creative Media Industries at £25,900.[99] This is unsurprising given the high proportion of graduates in the Creative Media Industries.

2.5 Recruitment at Entry Level Onwards

Approaching half (46%) of Creative Media employers have actually taken on new employees or short-term contracted staff over the past 12 months. The majority of these employers (68%) had actually taken on freelancers, with 29% taking on employees and just 2% taking on both. Television (75%), Animation (70%) and Content for Computer Games (70%) employers are the most likely to have recruited in the past year. Photo Imaging (26%) employers are the least likely to have recruited during this time.[100]

Surprisingly, of those employers to have recruited in the last 12 months, just 28% recruited from other Creative Media Industries compared to 41% that recruited from outside of the Industries. However, recruitment from within Creative Media was highest in Broadcast Radio (66%), TV Broadcasting (63%)

[95] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

[96] Skillset (2008) Creative Media Workforce Survey. Excludes Photo Imaging, Publishing, Film Production and Advertising.

[97] Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. Average income from all audio visual work.

[98] Skillset (2008) Creative Media Workforce Survey. Excludes Photo Imaging, Publishing, Film Production and Advertising.

[99] Annual Survey of Hours and Earnings, ONS (2010)

[100] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

and Film Production (52%) illustrating the greater crossover between these sectors.[101]

A significant proportion (45%) of Creative Media employers have recruited direct from education in the last 12 months. Employers within TV (60%), Film (55%) and Radio (53%) were most likely to have recruited direct from education in the last 12 months compared to just 37% in Publishing.[102]

Most sectors of the industry have long been characterised by highly motivated individuals wanting to work in an industry commonly seen as glamorous and exciting. It is estimated that in 2008-09 around 720,000 learners in FE were studying courses relevant to Skillset industries (from here on referred to as 'Skillset relevant courses'[103]), whilst over 757,000 were studying Skillset relevant courses at UK HE institutions.[104] In terms of outcomes, 10% of all Skillset relevant students who have gained employment 6 months after graduating have done so within Skillset industries.[105] It should nevertheless be noted that Skillset relevant students make up over half (51%) of all the students to be subsequently employed in a Skillset industry, indicating that Skillset relevant students are more likely to find employment in Skillset industries than those studying non-Skillset relevant courses.[106]

One result of this demand from individuals wanting to work in the sector has been a high level of voluntary or unpaid working, undertaken in order to get a foot in the door and a first paid job: more than two fifths (44%) of the workforce in Creative Media report having worked unpaid in order to get into the industry. Formal recruitment measures such as advertising and recruitment agents are

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[101] Ibid

[102] Ibid

[103] Skillset-relevant courses are those defined through course codes within the HESA Joint Academic Coding system (JACs) and FE 'learning aims' as potentially relevant to Skillset key sectors and the functions and occupations within them.

[104] Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK. NB These figures include Fashion & Textiles which is not in the scope of this SSA. Further information regarding this study can be found in the methodology section.

[105] Since 2002/03 HESA have administered a survey of HE leavers called the Destinations of Leavers from Higher Education (DLHE). This replaced the previous First Destinations Supplement (FDS) and seeks to collect a richer set of data then held previously particularly focused upon on the employment and further study graduates move in to after their studies.

[106] DLHE Survey, HESA 2007/08 from Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK.

still relatively uncommon in most sectors of the Creative Media and a third report entering the industry this way and this reduces to a quarter for those already in the industry. More people in the industry report securing both their first and current job through informal channels such as word of mouth or personal contact.[107] The qualitative research conducted by Skillset in October 2010 confirmed this finding.[108] In Television, Advertising, Radio, Film, Animation and Publishing many people reported a growing trend towards more unpaid internships, word-of-mouth recruitment, and recruitment through friends and family with deleterious implications for the diversity and talent mix of the sectors involved.

The description of the sector as one that often relies on contacts and networks to gain entry to jobs and organisations is a practice that has been identified as more disadvantageous to women, people from minority ethnic backgrounds and people with disabilities. Unpaid work placements are a particular barrier for entrants.[109]

The most common mode of recruitment into first jobs was through response to an advertisement (31%), though less formal modes such as through a friend or relative (22%) or direct contact with a company (19%) are also common. This is quite a different picture to the means through which respondents heard about their current or most recent job, the most common of which was directly from an employer (32%, though only 12% for first job), while fewer respondents report hearing of their current job through an advertisement (24%), than their first job (31%). In other words, less formal recruitment methods become more prevalent once individuals are moving around within the industry than when they first entered it. This is particularly true of Outside Broadcast (49%); Animation (41%); Terrestrial TV (41%) and Post Production (40%).[110]

There are some considerable differences between sectors. In particular, responding to an advertisement is most common in Archives and Libraries

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[107] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

[108] Skillset's employer and stakeholder qualitative framework 2010

[109] Broadcast Equality and Training Regulator (2009) Equal Opportunities Report

[110] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising

(54%), Transmission (48%), Outside Broadcast (47%), and Broadcast Radio (3%). Entry via a friend or relative is most common in Studio/Equipment Hire (37%), Other Content Creation (36%), and Corporate Production (35%).[111]

Overall the figures for year of entry to the sector are as follows: 10.5% reported entering the industry before 1980, 16% during the 1980s, 28% during the 1990s, and 42% since 2000. There are some major variations by sector, with higher proportions with longer service (pre-1980) in Transmission (24%), Outside Broadcast (23%), Other Facilities (20%) and Terrestrial TV (19%). The proportion of newer entrants (2004 or later) is highest in Cinema Exhibition (55%), Content for Computer Games (35%), Studio/Equipment Hire (35%), and Other Content Creation (26%).[112]

Lack of information on the range of occupational roles also complicates the picture and employers report that the X Factor generation have little knowledge about wanting to work in the Media and less about how to enter Creative Media professions. This results in too many people with general 'Creative Media roles' and skills shortages in areas like Broadcast Technology and Engineering and the more craft-orientated occupations. Indeed graduates as a proportion of the overall Audio Visual workforce have increased from 66% in 2003 to 73% in 2008. Yet the overall proportion of people with a relevant technical or vocational qualification is low at 7% with some notable exceptions such as Broadcast (33%), Transmission (25%), Studio/Equipment Hire (16%), and Equipment Manufacture (13%).[113]

Table 9 shows the shape of the qualifications landscape across the sector.

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[111] Ibid

[112] Ibid

[113] Ibid

Table 9 Highest Qualification Held by Sector and Contract Type

	Graduate Total	Postgraduate qualification in media/related subject	Postgraduate qualification in other subject	Undergraduate qualification in media/related subject	Undergraduate qualification in other subject	A technical or vocational qualification relevant to work in the industry	Any other technical or vocational qualification	A level/GNVQ media or related subject	National/Scottish Vocational Qualification	Modern Apprenticeship/ Apprenticeship	None of these	Base
Sector	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*n*
Television												
Terrestrial TV	68	18	11	15	24	10	2	2	1	*	17	1,428
Cable & Satellite TV	72	13	5	28	27	8	1	5	*	0	13	204
Independent TV Production / Community TV	72	15	10	23	24	8	2	2	*	*	16	741
Radio												
Broadcast Radio	71	22	11 2	13	24	7	2	2	1	0	18	630
Post production	70	15	7	28	20	9	2	2	0	0	18	179
Studio/Equipment Hire	65	14	2	20	29	16	4	8	0	2	12	45
Outside Broadcast	39	6	4	20	9	33	8	5	0	0	16	75
Transmission	57	5	12	10	30	25	5	0	0	0	12	42
Equipment Manufacture	68	0	26	6	36	13	2	9	0	0	9	47
Other Specialist Facilities	66	8	11	25	22	8	5	0	0	1	20	90
Animation	92	31	12	33	16	1	0	1	0	0	7	104
Content for Computer Games	80	10	27	13	30	2	0	1	1	1	15	104
Interactive Media	88	29	15	20	24	4	1	1	0	0	7	229
Other Interactive Media	88	13	10	30	35	4	0	0	0	0	9	47
Corporate Production	77	21	11	32	12	7	2	*	*	*	14	148
Other Content Creation	63	18	1	28	18	6	2	2	0	0	27	91
Archives & Libraries	74	24	17	17	16	7	5	0	0	0	15	76
Publishing	51	-	-	-	-	-	-	-	-	-	*3	-
Film												
Cinema Exhibition	51	10	11	8	22	5	3	11	1	0	30	214
Film Production	58	7	8	20	37	4	8	16	-	-	12	-
Photo Imaging	51	-	-	-	-	-	-	-	-	-	*4	-
Advertising	56	-	-	-	-	-	-	-	-	-	*3	-
Contract Type												
Employees	75	18	15	26	44	17	9	14	2	1	16	2,625
Freelancers	70	19	13	30	35	18	11	15	3	2	19	2,023
Total	**73**	**18**	**12**	**20**	**24**	**7**	**2**	**3**	*****	*****	**15**	**4,648**

Source: Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010. * No qualification held. N.B. 'Contract Type' and 'Total' figures do not include Publishing, Photo Imaging and Advertising.

Lack of information getting to new entrants - a mere 29% said they had received any careers advice[114] - coupled with informal entry routes and high qualification entry bars are resulting in serious representational issues (socio-economic, gender and in terms of BAME representation). The main barriers to better recruitment are as follows:

1. Across the industry, routes to entry have been characterised by knowing people in the industry and hence risk being seen by those who might not usually consider a career in the Creative Industries as elitist (for data see above). As such, this sector as a whole is not diverse though there are examples of good practice.

2. Demographic change presents considerable challenges to the sector and too often the sector does not follow best practice in its recruitment practices (see above for detail).

3. Career paths across the sector are not necessarily well-known or understood by school leavers, graduates or their careers advisors.

4. Whilst some employers are doing a considerable amount of learning and development (accredited and non-accredited), the sector as a whole is characterised by a lack of formality or comparability in its approach to learning and development.

5. There is a general lack of the right formal qualifications post first degree level and scepticism over the quality of qualifications provided by many of the existing suppliers. There is also an acute fear of more bureaucracy and red tape.

6. People offer themselves free to gain work experience (at school leaver, student and graduate level). This means employers do not need to invest or engage with these volunteers in the same way as they would if they were trainees or employees.

[114] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

7. Existing demand from applicants wanting to work in the industry in some sub-sectors creates a strong economic disincentive to change. In many sectors such as Advertising, Film and Television there is huge demand for placements and work from people with level 4 qualifications and above. However employers still complain that too many graduates are not job ready and lack basic industry specific skills such as story-telling (in the case of Film).

2.6 Retention

Skillset's Creative Media Workforce Survey 2008 data[115] illustrates that more than 50% of the workforce have always been freelance. There are considerable variations by sector: the vast majority of those in Other Content Creation (84%), other Interactive Media (75%), and Studio/Equipment Hire (72%) had always worked freelance, but only a minority in Cable and Satellite (23%), Web and Internet (31%) and Post Production (33%). However more than 40% state they became freelance through redundancy or fear of redundancy, while 39% did so for greater freedom and more control over their working lives and 26% in order to earn more money.[116]

Qualitative research confirmed that freelancers will remain at high levels in many sectors due to the general project based nature of the work in sectors such as Film and Television.[117]

2.7 The Sub-Sector Story

A more detailed breakdown of current skills needs by sub-sector is in Section 3. The Creative Media story is a complex one as each sector has particular idiosyncracies and nuances that command attention. Video, film and photography saw employment fall by 3% between 2007 and 2008, and GVA growth of 2% per annum between 1997 and 2007.[118] The other sectors have

[115] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

[116] Ibid

[117] Skillset's employer and stakeholder qualitative framework 2010

[118] DCMS Creative Industries Statistical Bulletin, February 2010.

enjoyed at, or just above, whole economy trend rates of growth of between 2% and 3%.[119] Though the recession hit some sectors hard - Advertising spending for example shrank by 10%[120] - employers in most sectors feel moderately confident about their future prospects despite public spending cuts and specific uncertainties around tax breaks for the Content for Computer Games sector and reduced Government spending on advertising and marketing.

Each of the sub-sectors has different labour market characteristics and Table 10 indicates the particular unique labour market characteristic that stands out in each sub-sector of the Creative Media.

Table 10: The Unique Labour Market Characteristics of each Sector

Sector	Unique Labour Market Characteristic
Television	
Terrestrial TV	Highest proportion of women employed in any sub-sector (48%)
Cable & Satellite Television	Highest proportion of employees at 89%
Independent Production (TV)	4 times the number of freelancers compared to Cable and Satellite and twice the rate of Terrestrial.
Radio	
Broadcast Radio	More evenly spread across the UK
Independent Production (Radio)	Third highest number of freelancers at 61%
Animation	Only 2% are from a BAME background
Interactive Media	More than 11% work in Wales
Content for Computer Games	Less than 50 workers in Northern Ireland
Other Content Creation	
Commercials Production and Pop Promos	Only 46% based in London
Corporate Production	54% are freelance
Facilities	
Post Production	96% in England and 80% in London
Special Physical Effects	88% done in England and the rest in Scotland
Studio and Equipment Hire	More than half outside London
Visual FX	Only 500 people employed outside London and hardly any in the other nations from total of 6,900

119 Ibid

120 Stokes, P (2010) Towards 2014: the search for position in the digital value chain, PWC

Sector	Unique Labour Market Characteristic
Other Specialist Facilities	95% are in England and 46% in London
Film	
Cinema Exhibition	No freelancers in this sector
Film Production	Highest number of freelancers at 89%
Publishing	
Book publishing	62% found in England outside London.
Newspaper publishing	Largest Publishing sub-sector 47,000 employed
News Agencies	43% of news agencies' workers based in London
Photo Imaging	
Photographic Activity	Second highest proportion of freelancers at 67%
Advertising	Has the highest representation of BAME workers at 10%
Archives and Libraries	Smallest sector - just over 300 people.

Source: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

As can be seen from the table above there is a wide disparity between different elements of each sub-sector. Some sub-sectors are heavily clustered in London and England while others, such as the Interactive Media sector, have very low numbers of people employed who come from a BAME background. Independent Production for Television and Photo Imaging are dominated by freelancers but not as heavily as Film Production where a lack of any sort of US style studio system means that 9 out of 10 workers in this sub-sector are freelance. If you work in the private Cable and Satellite Television sector you will probably be an employee whereas the public sector BBC has far more freelancers.

A surprising quirk is the relatively small number of book publishers in London compared to publishers in England outside London. This is predominantly driven by large clusters in educational, academic and scientific publishing centred around Oxford and Cambridge.

2.8 Creative Media Workforce and Travel

Most key occupational groups within the industry operate within a national or international labour market; people will generally need to be willing to travel to wherever work is in order to develop or sustain a career in the industry. Some 55% of people in the sector had stayed away from home overnight in order to fulfil a contract obligation. The sectors in which this is most prevalent are Equipment Manufacture (94%), Outside Broadcast (89%), Corporate Production (75%), and Studio/Equipment Hire (68%).[121] There are few differences between the proportion of the workforce working and living in each nation or region, except in London where fewer people live than work, and the South East and East of England where fewer people work than live. This is presumably attributable to substantial proportions of the workforce commuting from those latter regions into London.[122]

2.9 Recruitment and Skills Issues

There are few differences across the UK in the levels of reported skills gaps or shortages given the wide geographical scope of the labour market. However, considerable debate has taken place around the challenge of nurturing growth and development in the nations and regions outside London. There is perceived to be a lack of senior roles outside London in both management and production. A number of television industry leaders outside London have pointed to the lack of a critical mass of production making it difficult either to grow indigenous talent, or to persuade high-level industry professionals to relocate. London and the South contain just over 50% of all the strategic managers, 56% of all the production staff and 58% of all the creative development staff. London alone has more than a third of all the strategic managers and more than 46% of the production staff and around 39% of all the creative development specialists. It also has more than 50% of the engineering and transmission specialists to cite just a few examples.[123] In the qualitative phase of research it is clear that

[121] Skillset (2008) Creative Media Workforce. Excludes Film Production, Photo Imaging, Publishing and Advertising.

[122] Ibid

[123] Skillset (2009) Employment Census, Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest.

Northern Ireland, Wales and parts of England are struggling to gain critical mass in some sectors such as Television, Film, and Advertising. However in other sectors such as Content for Computer Games and Animation there are specific clusters in places such as Glasgow, Cardiff, Belfast and Manchester.[124]

[124] Skillset's employer and stakeholder qualitative framework 2010

3. Current Skills Needs

3.1 Overview

Overall the Creative Media sector is in confident mood. It has grown at twice the rate of the whole economy up until 2008 and contributed over 6% of the UK's gross value added in 2009. By 2017 employment growth in the sector is expected to have reached 40% from the total employed in 1997.[125]

It has also created jobs at twice the rate of the financial intermediation sector over the same period. This is good news. And yet, as has been mentioned above, there are many challenges.

Digitisation is demanding ongoing continuous professional development (CPD) across the Creative Media sector at higher rates than ever before. New entrants from education need to be prepared for being in inter-disciplinary teams with a new emphasis on the fusion of skills required in each new entrant in order for them to be able to create content across multiple platforms whether an Advertising creative or print journalist. 'Diagonal thinking' (i.e. those able to think creatively and practically) are the skills requirements of the day. Individuals need to be more entrepreneurial, understand how to monetise IP from digital and other content and show forward thinking leadership and management skills. Though such individuals with such ability may be rare they need to be identified and nurtured early on in their careers. The cultural challenge for new entrants might be best summed up by asking them not what job they intend to go into but what job they intend to create.

3D is a growing innovation that will begin to spread across different sectors apart from Film and require new skills as a result. The need for increased levels of diversity as a business driver will grow in the future since content needs to reflect the more disaggregated and global marketplace.

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[125] Working Futures (2007-2017) (2008) SC/IER/CE electronic resource. Please note that the Working Futures projections are based on a model that uses official Government data sources so they do not include facilities, interactive content, Content for Computer Games, freelancers between jobs (LFS) or any freelancers at all (ABI). As such they are likely to be highly conservative estimates of growth.

There is a steady exit of skilled people in their 30s and 40s. As retailers have found,[126] reflecting the diverse make-up of the general population among your employees is good for the bottom line and yet too few parts of the Creative Media Industries reflect such diversity. This in itself will act as a drag on economic success as more diverse organisations tend to be more innovative and thus more economically successful.

There are too many reported barriers to learning and development from employers and employees and freelancers alike.

Of employers reporting barriers preventing them from providing more learning and development for their workforce, over half stated they cannot afford to invest in learning and development (54%). Almost a fifth (19%) stated that learning and development is not considered to be a priority for the business at the current time, perhaps highlighting an effect of the recession on employers' priorities. A breakdown is shown in Table 11.[127]

Table 11: Barriers preventing Creative Media employers from providing more learning and development for their workforce

Barriers to Learning and Development	% of employers
Your company cannot afford to invest in learning and development	54%
Not enough time	41%
Employees are already fully proficient	38%
Courses are generally not suitable for your company's needs	28%
Your company cannot access public funds for learning and development	24%
Learning and development is not considered to be a priority for the business at the current time	19%
Learning and development done in house/on the job	3%
Lack of enough work to make it worthwhile	1%
Staff on temporary/short term/freelance contracts	1%
Staff organise their own learning and development	1%
Learning and development done on an ad hoc basis	1%
Learning and development not available locally	1%
Lack of knowledge about what's available	-

Source: Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

[126] www.innovationzen.com/blog/2007/05/07/the-benefits-of-a-diverse-workforce/

[127] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

Employees and freelancers in those sectors that report the most need for learning and development such as Animation, Post Production, Outside Broadcast and Film Production are also the most reliant on freelancers who overall receive less learning and development than employees.[128] This is because freelancers often cannot, or believe they cannot, afford the luxury of not being available to work. In addition, almost two-fifths (39%) of Creative Media employers do not make the learning and development they provide available to freelancers.[129]

As Table 12 shows there are also differences between the reported experiences of employees and freelancers. Overall 91% of freelancers and 86% of permanent staff report some difficulty getting learning and development. Far higher proportions of freelancers than employees report virtually every type of barrier. Some of the most striking examples of this include fees being too high (reported by 62% of freelancers v. 34% of employees), fear of losing work due to committing time to learning and development (37% v. 7%), and possible loss of earnings. The only barriers more widely reported by employees than freelancers were difficulty assessing the quality of courses and employers being unwilling to pay for learning and development.

Substantially lower than average proportions of respondents report barriers in Post Production, Content for Computer Games, other Interactive Media, Corporate Production and Cinema Exhibition. The prevalence of each type of barrier within each sector largely reflects the extent of freelancing within each sector, bearing in mind the pattern by contract type noted above.

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[128] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Excludes Publishing and Advertising.

[129] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

Table 12: Proportion of the Workforce Experiencing Barriers or Obstacles to Obtaining Learning and Development by Sector and Contract Type

	All		Audio Visual		Film Production		Photo Imaging	
Barriers	**F**	**P**	**F**	**P**	**F**	**P**	**F**	**P**
Lack of suitable courses	25	21	27	21	23	26	23	24
Fear of loss of earnings	31	17	30	17	30	20	33	23
Fees too high	50	38	67	38	30	24	54	49
Domestic arrangements	9	9	8	9	5	8	27	15
Inconvenient place	20	21	34	22	8	8	10	6
Inconvenient time	23	19	27	19	20	16	16	16
Fear of loss of work due to early commitment to train	34	8	35	7	36	24	19	21
Poor information available	25	27	27	28	23	16	29	27
Difficulty in assessing course	27	25	32	25	18	18	37	28
Employers won't pay	18	34	21	36	17	12	13	18
Employers won't give time off	10	26	9	27	12	6	7	17
Lack of employer support	0	5	0	5	N/A	N/A	N/A	N/A
Not enough time	1	2	1	3	N/A	N/A	N/A	N/A
Difficulty taking time off	19	3	N/A	N/A	35	39	35	39
Not enough funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	6	3	10	3	2	0	2	0

Source: Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Excludes Publishing and Advertising.
Note: F = % Freelance; P = % Permanent; N/A = not applicable.

The Publishing industry in identifying skills gaps have increased the volume of learning and development provided to the existing workforce (43%) and increased or expanded trainee programmes (26%).[130]

There are also differences between demographic groups in their reporting of barriers or obstacles to receiving learning and development, as shown in Table 13 below. Men and BAMEs reported barriers to learning and development more than other groups in virtually every category (see below). For instance, in sectors covered by Skillset's 2008 Creative Media Workforce Survey, 22% of men report possible loss of earnings compared with 12% of women. Two fifths (41%) of BAMEs report a lack of suitable information compared with 25% of white respondents, and 34% cite difficulty assessing the quality of courses, compared with 27% of white people.

[130] www.skillset.org/uploads/pdf/asset_14113.pdf?1

Table 13: Proportion of the Workforce Experiencing Barriers or Obstacles to Obtaining Learning and Development by Gender, Age and Ethnic Origin

	Lack of suitable learning and development in the UK	Lack of suitable learning and development in the region/nation I live/work	Possible loss of earnings	Fees are too high	Learning and development is inconvenient places	Learning and development is at inconvenient times	Domestic/personal arrangements	Fear of losing work through committing time in advance	Lack of information about what available	Difficult to assess the quality of courses	Employers not willing to pay for learning and development	Employers not willing to give time off for learning and development	Don't have enough time	Lack of employment support	No barriers or obstacles experienced	Other	Base
	%	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*n*
Gender																	
Male	24	26	22	42	22	26	9	17	27	33	37	30	3	3	10	5	872
Female	19	19	12	41	17	22	9	13	25	22	32	20	3	4	14	5	685
Age																	
16 to 24	23	22	24	51	26	21	1	21	25	23	31	19	0	4	12	4	80
25 to 34	23	26	20	46	19	24	7	16	24	28	34	23	3	4	12	5	529
35 to 49	21	20	15	37	18	25	14	14	28	29	37	31	2	3	10	4	678
50+	22	23	14	38	23	26	8	16	28	29	30	19	3	3	15	8	250
Ethnic Origin																	
White	22	23	17	42	19	24	10	15	25	27	34	25	3	4	12	5	1,401
BAME	24	21	26	39	25	30	10	18	41	34	41	37	3	0	8	4	148
Total	**21**	**22**	**17**	**40**	**19**	**24**	**9**	**15**	**25**	**27**	**34**	**25**	**3**	**4**	**11**	**5**	**1,580**

Source: Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

Demand for learning and development at the current time is high[131] and more companies consulted in 2009 reported an increase in requests for learning and development (22%) than a decrease since the recession.[132] Moreover, only 12% of Creative Media employers reduced their budget for learning and

[131] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Excludes Film Production, Publishing and Advertising.

[132] Skillset (2009) From Recession to Recovery. Based on a sample of 262 employers.

development over the last year; for 64% of employers the budget remained unchanged with 16% actually increasing it.[133]

In Skillset's Creative Media Workforce Survey of 2008, the most common areas of learning and development were reported as relating to multi-platform content and new and digital technology. One in two people declared a current need for learning and development. Six in ten had undertaken learning and development in the previous year, receiving an average of 11 days each (an increase from 7 days in 2005).[134]

This compares favourably with the whole economy average of around 6 days per employee per annum and illustrates the demands new technology is placing on employees to keep abreast of developing skills needs.[135] Comparing employees with freelancers, freelancers were more likely to need learning and development (60%). A smaller proportion of freelancers had undertaken learning and development (43% v. 65%) but those who had taken learning and development had undertaken more (an average of 13 days v. 9 days).[136]

Labour Force Survey (2009) data reported in the UK Employment and Skills Almanac 2010 shows that 10% of the Creative Media workforce had received training in the 4 week period preceding the survey. This increased to 21% when the period was extended to the last 13 weeks before the survey.[137]

The older the worker the higher the demand for learning and development, especially in digital areas. In sectors covered by Skillset's 2008 Creative Workforce Survey, those who entered the sector before 1969 had the highest demand for learning and development in specific software applications (30%); online/web design/Interactive Media/electronic games (18%); new/ digital

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[133] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

[134] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Excludes Publishing and Advertising. This figure corresponds with data from the National Employer Skills Survey 2007 which shows that 59% of staff had received training in the past 12 months. However, this data excludes many of those working in Interactive Media, Content for Computer Games and Facilities.

[135] www.cipd.co.uk/subjects/lrnanddev/general/_learning_and_development_summary?vanity=http://www.cipd.co.uk/subjects/lrnanddev/general/_lrngdevsvy.htm

[136] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

[137] As outlined in Annex B these figures exclude many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers.

technology (25%) and editing (22%). This is perhaps not such a surprise since digital technologies are relatively recent technologies. Learning or development relating to management and leadership (20%) and specific software solutions (20%) were most sought by those who had entered the workforce in the 1990s. Business skills (13%), production (13%) and post production (12%) were most in demand from the most recent entrants to Creative Media who joined after 2008. The 1980s cohort were most in need of specific software applications (20%) while the 1970s cohort wanted learning and development in new/digital technology the most (20%).[138]

Despite employee and freelance demand for learning and development being high the latest evidence suggests that employer's provision to meet the demand is not at the same level. In Skillset's (2010) Creative Media Employer Survey, just 18% of Creative Media employers have a plan that specifies the type and level of learning and development that their company will invest in over the coming year. Over the last 12 months just 45% of employers have funded or arranged any learning or development for their workforce. Table 14 shows employers within Broadcast Radio (77%) and TV Broadcasting (69%) were most likely to fund or arrange learning and development for their workforce in the past 12 months. In comparison employers within Other Photo Imaging (28%) and Photography (31%) were the least likely.[139]

[138] Ibid

[139] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

Table 14: Proportion of Creative Media employers that funded or arranged learning and development for their workforce in the past 12 months

Sector	% of employers	Sector	% of employers
Television	**63%**	**Other Content Creation**	**61%**
TV Broadcasting	69%	Corporate Production	58%
TV Production	60%	Commercials and Other Content Creation	64%
Film	**58%**	**Facilities**	**54%**
Film Production	49%	Post Production	43%
Radio	**66%**	Studios & Equipment Hire	57%
Broadcast Radio	77%	Other Services for TV and Film	54%
Community/Voluntary and other Radio	59%	**Archives & Libraries**	**52%**
Film	**58%**	**Publishing**	**45%**
Film Production	49%	Book Publishing	41%
Animation	**44%**	Publishing of Newspapers	40%
Interactive Media	**49%**	Publishing of Journals & Periodicals	41%
Online Content	47%	Other Publishing	50%
Other Interactive Media	57%	**Photo Imaging**	**30%**
Content for Computer Games	**55%**	Photography	31%

Source: Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

The sectors with the highest percentages of employees and freelancers trained are Broadcast Radio (74%), Cinema Exhibition (73%), Web and Internet (66%), and Terrestrial TV (64%). The sectors with the lowest proportions are Other Content Creation (33%), Archives and Libraries (37%), Other Facilities (43%), and Animation (47%). In the larger sectors there were few if any changes since 2005.[140]

National Employer Skills Survey (2007) data reported in the UK Employment and Skills Almanac 2010 shows that Creative Media and Fashion and Textiles employers spent a total of £346 million on training in the past 12 months.[141]

Within those companies that had funded or arranged learning and development for their employees in the past 12 months the most common method of delivery was through an external course or seminar (68%). More than half of employers

[140] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

[141] As outlined in Annex B NESS data excludes many of those working in Interactive Media, Content for Computer Games and Facilities. Figures for Fashion and Textiles can not be disaggregated from those for Creative Media.

funded or arranged learning and development delivered through both structured and non-structured support on the job by another member of their workforce (58% and 52% respectively) and books and other printed materials (51%). Interestingly, just 38% of employers had funded or arranged learning and development delivered through internet based/online learning and development. This area of learning and development is set to expand exponentially due to the potential cost savings and reach. As yet it has not reached a tipping point where most major employers and providers have developed on-line resources. The BBC's increased investment in on-line learning resources is a sign that major change is upon the Creative Media sector as a whole. Table 15 shows the usage of each method of delivery within each main sector.[142]

Table 15: Methods of learning and development delivery by employers

	Structured support on the job by another member of your workforce e.g. mentoring, coaching	**Ad-hoc non-structured support on the job by another member of your workforce**	**In-house learning and development sessions conducted by another member of your workforce**	**In-house learning and development sessions using an external contractor**	**Sending staff out to an external course or seminar**	**Internet based/online learning and development**	**Books and other printed materials**	**Apprenticeships**	**Graduate Internships**	**Work placement or work experience posts**
Radio	80%	72%	83%	43%	64%	33%	49%	10%	28%	75%
Animation	51%	66%	46%	30%	60%	38%	58%	7%	25%	45%
Interactive Media	59%	52%	41%	33%	66%	53%	64%	5%	18%	25%
Content for Computer Games	54%	54%	45%	59%	63%	36%	68%	2%	17%	41%
Content Creation	60%	56%	50%	15%	68%	57%	56%	7%	14%	62%
Facilities	58%	49%	55%	44%	69%	29%	50%	10%	16%	37%
Film	58%	47%	34%	41%	75%	33%	35%	5%	27%	39%
Publishing	57%	54%	39%	27%	70%	30%	44%	5%	12%	23%
Photo Imaging	51%	44%	45%	27%	65%	34%	49%	5%	7%	28%
Archives & Libraries	51%	55%	39%	8%	54%	11%	58%	8%	15%	47%
Total Creative Media	**58%**	**52%**	**45%**	**33%**	**68%**	**38%**	**51%**	**6%**	**15%**	**31%**

Source: Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

[142] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

In the Creative Media Industries, the most common areas of learning and development received in the past 12 months relate to using software packages such as Photoshop, Avid and Final Cut Pro (47% of employers). Other common areas of learning and development provided include technical skills (42%), sales and marketing (36%) and leadership and management (30%).[143]

Table 16 shows that learning and development received both around using software packages and technical skills was highest in Content Creation and Photo Imaging. Three quarters of employers in Content Creation reported that their workforce had received learning and development in technical skills. Learning and development around sales and marketing was particularly common in Film (62%), Radio (46%) and Publishing (46%). More than half of employers in Radio (51%) reported that their workforce had received learning and development in leadership and management.[144]

Table 16: Learning and development received in each main sector in the past 12 months as reported by employers

	Skills to develop content for multiple platforms	Leadership and Management skills	Sales and Marketing skills	Business skills	Finance skills	Technical skills	Set or Crafts skills	Production skills	Creative talent	Skills in using software packages	Multi-skilling
Television	20%	45%	23%	23%	33%	38%	9%	22%	33%	54%	18%
Radio	30%	51%	46%	23%	25%	38%	11%	35%	29%	41%	26%
Animation	5%	38%	20%	12%	24%	45%	8%	22%	11%	51%	14%
Interactive Media	23%	28%	28%	22%	12%	46%	3%	8%	11%	41%	14%
Content for Computer Games	23%	47%	17%	27%	23%	33%	5%	13%	21%	51%	16%
Content Creation	8%	32%	34%	15%	22%	75%	4%	16%	27%	65%	11%
Facilities	10%	29%	26%	15%	13%	43%	18%	15%	7%	47%	19%
Film	12%	27%	62%	17%	22%	31%	8%	18%	19%	40%	19%
Publishing	22%	33%	46%	21%	17%	34%	4%	15%	13%	45%	12%
Photo Imaging	6%	16%	40%	22%	13%	50%	11%	16%	16%	58%	16%
Archives & Libraries	0%	13%	5%	20%	3%	48%	2%	3%	14%	29%	2%
Total	**17%**	**30%**	**36%**	**21%**	**16%**	**42%**	**7%**	**15%**	**14%**	**47%**	**15%**

Source: Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

[143] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

[144] Ibid

Amongst employees and freelancers classroom based courses are more common than average in Equipment Manufacture (91%), other Interactive Media (84%) and Terrestrial TV (78%). On the job learning and development is most prevalent in Archives and Libraries (69%), Cinema Exhibition (68%), Post Production (57%), and Cable and Satellite TV (50%). Courses delivered using technology occur most frequently in Corporate Production (35%) and Animation (32%).[145]

Over 90% of the workforce valued the learning and development they had received and saw it as beneficial. Around three quarters said that it has improved their performance in their current role, and a similar proportion that it had helped them in their general development and broadening of skills. Just over half said it had improved their confidence and less than one in five that it had helped them in any particular other way.[146]

Table 17: Learning and development by most frequent type across the Creative Media sector

Learning and development type	Sub-sector	Proportion of workers undertaking learning and development
Specific Software applications	Audio Visual	17%
Health and Safety	Audio Visual	15%
Health and Safety	Film Production	17%
Art/design/camera/construction	Film Production	12% on each area
Specialist software skills	Photo Imaging	35%
Business Skills	Photo Imaging	14%

Sources: Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Excludes Publishing and Advertising.

A large proportion of roles in all sectors are industry-specific and often highly specialised. Many roles are esoteric and require up to date skills with particular machinery or software. There is thus a very wide range of skill areas within the sector, and often a small labour pool from which to recruit to many of those areas. This can mean that in spite of the oversupply of potential new entrants to the industry, serious gaps and shortages can and do occur in particular areas.

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[145] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

[146] Ibid

Some of the skills issues that have arisen as a result of the above factors are described below.

3.2 Skills Shortages

Most areas of the Creative Media Industries have long been characterised by an oversupply of potential new entrants. One result of this, as has already been noted, has been a high level of voluntary or unpaid working, with nearly half the workforce in Creative Media reporting having worked unpaid in order to get into the industry.[147]

The highest proportions of people who had worked unpaid lay in Other Content Creation (75%); Independent TV Production and Community TV Production (56%); Studio and Equipment Hire (55%); Broadcast Radio (54%) and Corporate Production, other Interactive Media and Post Production (53%). More than 50% of animators had also worked unpaid. Some 47% of women (compared with 44% of men) had worked unpaid and the 25-34 age group showed the highest proportion of free working at 55%. Around 50% of BAME people compared with 44% of white people had also worked for nothing.[148] It is less than satisfactory that so many entrants require private means in order to get a foothold in the industry.

Mismatch of applicants' skills to the needs of the job is a common issue, and experience in work is often a much greater priority than academic qualifications. In fact, recent evidence reveals that half of employers state they do not value formal qualifications. This figure was highest in 'Other Photo Imaging' (63%) and lowest in TV Broadcasting (27%). However, formal qualifications were not a priority for more than half of the employers in the following sub-sectors: Photography (58%), Studio and Equipment Hire (57%), Corporate Production (56%), Independent TV Production (54%) Post Production (52%) and Film Distribution and Exhibition (51%).[149]

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[147] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.
[148] Ibid

[149] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

The apparent lack of value employers place on qualifications might be attributable to a perception that qualifications do not necessarily make new recruits to the sector 'job ready'. This was certainly a commonly expressed view from employers involved in the qualitative research phase.[150] Expanding new creative apprenticeships across more areas of the Creative Media Industries might be a way to improve this.[151] A key point made by employers is that too many (though by no means all) FE/HE courses struggle, in particular, with keeping up to date with technical changes occurring in the digital environment in creative media. Employers expressed a need for industry to have more input in shaping qualifications, but many cited time pressures and business dynamics as restrictions on them doing so.

In contrast to findings which suggest employers place little value on qualifications is the high level of graduate employment that currently exists within the Creative Media workforce; with 60% of the workforce holding a qualification that is NVQ Level 4 equivalent or higher.[152] Recent research by Skillset into the destination of 2007/08 graduates also suggests that the likelihood of HE graduates finding employment within the Creative Media Industries within six months of graduation increases for students who have undertaken industry-specific courses, particularly those approved by Skillset.[153] It is difficult to say whether this is supply or demand driven as the process of recruitment is influenced by a complex set of factors including individual employer values and current labour market circumstances.

Across the Creative Media Industries, skills in short supply from new entrants include sales and marketing skills (31% of employers), multi-skilling (23%), using software packages (22%) such as Photoshop, Avid and Final Cut Pro.[154]

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[150] Skillset's employer and stakeholder qualitative framework 2010

[151] www.ccskills.org.uk/Qualifications/CreativeApprenticeships/tabid/82/Default.aspx

[152] Skillset Creative Media Workforce Survey 2008, Skillset Film Production Workforce Survey 2008, LFS, ONS Jul 2009 – Jun 2010

[153] 10% of employed HE graduates from 2007/08 who undertook Skillset-relevant courses found employment within Skillset industries, compared to 3% of all HE graduates who have found employment in Skillset industries. This increased to 34% for employed HE graduates of Skillset-accredited courses. DLHE Survey, HESA 2007/08 from Skillset/Research As Evidence (October, 2010)

[154] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

Skillset's (2010) Creative Media Employer Survey reports that 15% of employers in the Creative Media Industries have current vacancies. Of these employers, 46% reported vacancies that are hard to fill. This equates to 7% of all Creative Media employers. These hard to fill vacancies were most frequently based in distribution, sales and marketing (38%), technical development (27%) and business management (13%).[155]

The National Employer Skills Survey 2009 adds further detail, reporting that in England there were some 7,500 vacancies amongst Creative Media and Fashion and Textiles employers at the time of the survey, around a third of which were in Associate Professional and Technical occupations (2,500) and a fifth each in Sales and Customer Service (1,300) and Administrative and Secretarial (1,200). This amounts to vacancies within 10% of all establishments across Creative Media and Fashion and Textiles (compared to 12% of all establishments in England). The Skillset sourced figure of 15% of employers having vacancies is preferred due to the limitations of Creative Media data extracted from NESS.[156] The survey also shows that just over a fifth of the vacancies reported by employers in England were hard to fill (1,700 in total). This equates to 3% of all employers but again the Skillset figure is preferred due to limitations in scope of NESS data.[157] Approximately 1,200 of these hard to fill vacancies were perceived to be due to skills shortages (2% of establishments) and the main skills found difficult to obtain were technical, practical or job specific skills (71% of skills shortage vacancies), customer handling skills (45%) and written communication skills (44%).[158] There are no comparable 2009 data for Northern Ireland, Wales and Scotland.[159]

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[155] Ibid

[156] NESS 2009 as reported in the UK Employment and Skills Almanac 2010. As outlined in Annex B these figures exclude many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers. Figures for Fashion and Textiles are also aggregated with Creative Media in the total.

[157] Ibid

[158] Ibid

[159] The Northern Ireland Skills Monitoring Survey 2005 reported that there were 103 vacancies amongst Creative Media and Fashion and Textiles employers at the time of the survey (equating to 11% of employers) of which 30 were skills shortage vacancies (3% of employers). Future Skills Wales 2005 reported that 11% of Creative Media and Fashion and Textiles employers have vacancies. No robust data for Skillset's footprint is available from the Scottish Employer Skills Survey 2008. As outlined in Annex B these figures also exclude many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers.

The majority of employers with hard to fill vacancies in Skillset's (2010) Creative Media Employer Survey went on to report that these vacancies are hard to fill because applicants lack the skills or talent the company demands (82%). Over two-thirds of employers also attributed the difficulty in filling these vacancies to applicants lacking relevant work experience (67%) and the required attitude, motivation or personality (65%). Only 16% of employers identified an applicant's lack of relevant qualifications as a reason.[160]

In response to these hard to fill vacancies, over three-quarters (76%) of Creative Media employers have undertaken specific actions such as using new recruitment methods/channels (61%), increasing advertising/recruitment spend (38%) and skilling up the existing workforce (24%).[161]

Multi-skilling competence is a significant requirement of digital media workflow, from content creation and production to metadata management. Yet there is a shortage of new people in the industry equipped with 'T-skills' - highly specialised in one core field, but with broad skills and knowledge to utilise their specialism across teams and platforms.[162] This was a constant refrain from employers who took part in the qualitative phase of research with the major caveat that in some sectors – such as Publishing – new recruits were better equipped.[163] This left some sectors with more of a 'stock' than 'flow' issue.

Broadcast engineering has long been recognised as a skills shortage area.[164] A combination of lack of new recruits; inappropriateness of learning and development provision in further, higher and commercial education; an ageing profile of the workforce; lack of a framework for continuing professional development; and the rapid impact of technological change has meant that many companies feel this area is a priority for action.

Visual Effects (VFX) is dependent on highly specialised technical and artistic skills that are in considerably short supply globally. Visual effects companies

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[160] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

[161] Ibid

[162] A Skills Review for the TV & Radio Sector, Skillset, 2009; Skillset/UK Film Council Feature Film Production Workforce Surveys 2005 and 2008.

[163] Skillset's employer and stakeholder qualitative framework 2010

[164] Skillset (2009) From Recession to Recovery. Based on a sample of 262 employers and Skillset Submission to the Development of MAC Shortage Occupation Lists, 2009.

have traditionally recruited from all over the world to meet the demand for specialised technical roles, and VFX has been placed on the Home Office shortage occupation list.[165]

Commissioned by BIS/DCMS, Minister for Culture, Communications and the Creative Industries, the Livingstone Hope independent review of Games and VFX skills will look to remedy this skills shortage and make the UK into the world's best source of talent for video games development and visual effects production in the world.[166]
Ian Livingstone outlined the purpose of the review by stating "we're going to examine the entire talent pipeline for video games and visual effects, from schools through to HE/FE and industry. It is important that video games and visual effects are seen as great career opportunities. And young people applying for jobs in these industries must have the necessary hard skills. This survey will help us to capture the evidence we need to make a robust case to government for how policy should support these critical sectors."

3.3 Skills Gaps

Comparing the learning and development most frequently undertaken and the learning and development most often cited as being required by the workforce, it is easy to see the lack of supply around areas of technical skill requirements and more general leadership, management and business skills that the workforce want but do not seem to get.

[165] Skillset worked with UK Screen to submit evidence in response to the consultation informing the Migration Advisory Committee report on limits for Tier 1 and Tier 2 for 2011/12 (Nov 2010). VFX occupations are currently included in Tier 2 of occupations open to immigration from non-EU nationals. MAC has recommended that the criteria used to identify skilled occupations be reconsidered and the limits on occupations currently on the shortage list be reviewed.
[166] The Skills Review is led by Ian Livingstone, co-founder of Games Workshop and Life President of Eidos and Alex Hope, co-founder of Double Negative, together with NESTA and Skillset. The findings of the review are due to be published in February 2011.

Table 18: Most cited learning and development needs as reported by the workforce

Learning and development needed	Sub-sector	Demand for learning and development
Management and Leadership	Audio Visual	13%
Online, web design, interactive content or Content for Computer Games; business skills and editing	Audio Visual	All 11%
Finance / Business / Marketing/ Management	Film Production	19%
Art / Design	Film Production	16%
Camera	Film Production	13%
Business skills	Photo Imaging	18%
Specialist software skills	Photo Imaging	48%
Colour management	Photo Imaging	13%

Source: Skillset (2008) Survey of the Creative Media Workforce; Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest.

Over a quarter (27%)[167] of employers in the Creative Media Industries report a skills gap. Of these employers 47% report a skills gap amongst their employees, 11% amongst the freelancers they use and 41% amongst both. The occupations in which a skills gap is most likely to exist amongst employees are distribution, sales and marketing and business management. Distribution, sales and marketing are also common occupations for skills gaps amongst freelancers, though the most likely occupation is art and design.[168]

For six in ten Creative Media employers, sales and marketing was the most common skills gap area amongst their employees. This was followed by technical skills (44%), using software packages such as Photoshop, Avid and Final Cut Pro (42%) and leadership and management (41%). Table 19 shows the skills gaps identified in Skillset's 2010 Creative Media Employer Survey and the sectors in which they are most prevalent. The skills gaps most commonly reported for employees above were similar to those reported for freelancers.

[167] This figure comprises the whole of the Creative Media Industries and is preferred to using National Employer Skills Survey 2009 data due to the exclusion of many of those working in Interactive Media, Content for Computer Games and Facilities (without these sectors 15% of establishments report a skills gap as reported in the UK Employment and Skills Almanac 2010). A total of 35,500 skills gaps were identified most commonly in Administrative and Secretarial and Sales and Customer Service occupations which represents 7% of the workforce (also includes Fashion and Textiles which can not be disaggregated from Creative Media data).

[168] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

37% of employers reported a skills gap amongst the freelancers they use specific to using software packages, 36% for technical skills and 35% for sales and marketing.[169]

Table 19: Skills gaps and the main sector in which they are most common amongst employees

Skills Gap	Sector in which the Skills Gap is most common	% of employers reporting Skills Gap
Skills to develop content for multiple platforms	Animation	39%
Leadership and Management skills	Television	53%
Sales and Marketing skills	Photo Imaging	72%
Business skills	Film	41%
Finance skills	Radio	40%
Technical skills	Other Content Creation	56%
Set or Crafts skills	Animation	26%
Production skills	Animation	32%
Creative talent	Television	40%
Skills in using software packages	Photo Imaging	58%
Multi-skilling	Facilities	42%

Source: Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

Just under a quarter (24%) of Creative Media employers attributed the skills gaps they currently had to the lack of experience of recently recruited staff. A failure to train and develop staff (21%) and an inability of the workforce to keep up with change (20%) were other causes commonly cited.[170]

Skills gaps had various effects on the companies experiencing them including delaying the development of new products/services (63% of employers), causing companies to outsource work they would prefer to keep in-house (48%), increasing operating costs (47%) and the actual loss of business to competitors (43%). However, seven in ten of employers have taken actions to address the skills gaps they're experiencing. The actions most commonly taken

[169] Ibid

[170] Ibid

by employers are skilling up the existing workforce (69% of employers) and increasing/expanding trainee programmes (54%).[171]

Overall, Creative Media professionals need to become increasingly multi-faceted. Ideas often need to be multi-disciplinary and media neutral so that they can be applied down a number of channels. The increasing importance of digital content has led to a growth in the value of specialists in this discipline, expanding existing roles and creating entirely new roles. This has the knock on effect of increasing employee churn and higher salaries. Across industry, people are required to have a broader understanding of technologies related to their function, be it software, hardware or communication technology. So called diagonal thinking is the order of the day. Creativity and business skills are increasingly required to sit together.

3.4 Skills Supply: The External Versus the Internal Labour Market Conundrum

Perhaps the most interesting facet of the Creative Media sector is the fact that it is so atypical of the general labour market with its heavy reliance on freelancers. Most of the last century our economy has been dominated by employment rather than self-employment.[172] This leads many observers to conclude that such an atypical situation is in need of correction in order to conform with the mainstream. Yet this is to miss the point about the unique dynamics of the sector with its concentration of small organisations and sole traders. The industrial structures and institutions have not emerged in many of the sub-sectors to support organisational labour markets of the kind that typify many other sectors. This is because of the nature of the project based work on offer across the sector and the need to keep overheads low and margins sharp.

Intrinsically this type of external labour market has many advantages to employers – flexibility, adaptability, the speed of matching skills to task, lower fixed costs, and lower management costs. These vibrant external labour markets are a source of competitive strength to the sector, which need to be

[171] Ibid

[172] www.emeraldinsight.com/Insight/viewContentItem.do?contentType=Article&hdAction=lnkhtml&contentId=872020

enhanced in such a way that some of the downsides for individual contractors are minimised. For example some academics have described the evolution of the Creative Industries' labour markets as being like the introduction of a 'tournament' culture to these industries.[173] In short this means that aspiring entrants compete with each other for no, or little, financial reward in order to gain network and social capital that will enable them to join their chosen profession and be paid for their skills.

People who work in the Creative Media Industries quickly accommodate to the higher levels of labour market insecurity their chosen professions lead to. In these industries you are often only as good as your last commission which is why awards are such an important element in badging and branding quality and success - perhaps far more than qualifications in some parts of the sector. They assume that their external labour market situation is the norm, not the exception, and embrace the fact that their external or secondary labour market is in fact - for them - a primary labour market. Adaptability is a key aptitude of the Creative Media worker.

3.4.1 Skills Supply: the Education System

The sector as a whole is characterised by high levels of level 4 and above qualifications. Two thirds (60%) of the sector have degrees and many in media related subjects.[174] This compares with just 36% of adults who hold level 4 qualifications or above across the whole UK workforce.[175]

Engagement between HE and the Creative Media industries is crucial and there is scope for further development as 81% of universities in England identified the creative industries as a target sector for external engagement.[176] Further engagement would contribute to the growth of the Creative Media industries through:

- the development of talent and high-level skills for the creative economy

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[173] Guile, D (2009) *Learning to work in the creative and cultural sector: new spaces, pedagogies and expertise*

[174] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, LFS, ONS July 2009 – June 2010.

[175] LFS, ONS July 2009 – June 2010.

[176] PACEC/CBR (2010) Evaluation of the effectiveness and role of HEFCE/OSI third stream funding, report to HEFCE Bristol: HEFCE reported in Universities UK (2010), Creating Prosperity

- activities that enhance the employability and enterprise skills of students and graduates
- provision of tailored and high-quality continuing professional development (CPD) to the creative industries
- research that supports innovation in the creative economy
- acting as hubs for innovation at the heart of regional creative clusters
- new models for interacting with creative businesses[177]

HE is the main source of Skillset relevant courses with analysis identifying 18,250 Skillset relevant courses with students in UK HE institutions in 2008/09 (course provision was most common in the key sector areas of VFX, Film, and TV). In total, over 23,000 Skillset relevant courses were available through FE, HE and the private sector in 2008/09. Just over 2,500 courses are available in FE and the leading private sector providers identify a further 2,400 courses.[178]

Across HE, FE and the private sector, in total there are over 1.4 million learners undertaking Skillset relevant courses in the UK. In terms of outcomes, 10% of all Skillset relevant HE students who have gained some form of employment 6 months after graduating have done so within the Skillset footprint.[179]

Funding for these activities is in excess of £96 million. Figures for HE are difficult to identify given the finance reporting requirements for HESA, but HE institutions attracted £35.4 million in research and contract work in Creative Media departments at UK HE institutions. FE Skillset relevant courses attracted in excess of £60.7 million in tuition fees from a range of sources including the LSC, private individuals and employers in 2008/09.[180]

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[177] Universities UK (2010), Creating Prosperity: the role of education in driving the UK's creative economy.

[178] Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK. NB These figures include Fashion & Textiles which is not in the scope of this SSA. Further information regarding this study can be found in the methodology section.

[179] DLHE Survey, HESA 2007/08 from Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK.

[180] Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK. NB These figures include Fashion & Textiles which is not in the scope of this SSA. Further information regarding this study can be found in the methodology section.

Despite this growth in provision, until recently employers have expressed concerns about the course content of many higher education providers reflected in the extent to which they value formal qualifications.[181] However with the establishment of the Skillset Media and Film Academy Network and Accredited courses there is now greater dialogue and greater communication between higher education and the industry, with a strong emphasis on tutor placements and good practice in curriculum development design and delivery. This is resulting in education programmes at all levels being seen as meeting the needs of the Industry although more work needs to be done.

Some impressive statistics are available comparing the destinations of students from Skillset Accredited courses and Skillset Academy courses to more general Skillset relevant courses. Students from Skillset Accredited and Skillset Academy courses are more likely to find Skillset relevant employment when they move into employment than their counterparts on more general Skillset relevant courses.

Consequently, over a third of all Skillset Accredited course students (34%) and over a quarter of Skillset Academy course students (26%) who find employment six months after their course find employment in Skillset industries. For Accredited courses this is over three times the 10% of students on all Skillset relevant courses who find employment in Skillset industries. [182]

In addition, of the Creative Media employers that had used Skillset's learning and development services, including Skillset Academies and accredited courses, 74% stated it had made their company more productive and/or competitive.[183]

An important step change has been that the Media and Film Academy Network are offering not only entry level type programmes at Foundation Degree and undergraduate level, but also short courses and CPD for experienced

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[181] Skillset (2010) Creative Media Employer Survey. Excludes Advertising. 50% of Creative Media employers do not value formal qualifications. 25% value undergraduate degrees, certificates, diplomas and 9% value post-graduate qualifications.

[182] DLHE Survey, HESA 2007/08 from Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK.

[183] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

professionals with a wider range of business development and applied research programmes.

As a consequence employers are becoming much keener to promote greater uptake of Sector Skills Council backed courses and accreditation services, which identify provision that best meet industry needs. For example, Foundation degrees have already proved to be a success in enabling better access to careers due largely to the work placement element of the course. This helps foundation degree takers to gain a foothold in the industry and build up much-needed social capital at an early stage in their careers.

Barriers remain in creating cross-disciplinary pathways in education that would add significant value for the Creative Media Industries. To support progression there is a need to bring students together across disciplines to collaborate, innovate and pursue new research and development. Industry needs to be more engaged with Higher Education to help shape provision, support delivery and provide work experiences that enable graduates to become more work ready.

Work is now also underway to position the Skillset Academies and Accredited Courses as the suppliers of higher level professional skill development and applied research, however this needs to be accelerated and the need for brokerage between Industry and the providers needs to be recognised and funded.

A major concern is the extent of funding reductions across the public sector. The Film Academies have been reduced from 6 to 3 for example. The new environment of higher fees in the HE sector means that the student experience will become more central to the business of HE and FE. Future employability will become a litmus test of a course or institution’s worth. This presents a real opportunity for Skillset’s Media Academies. This may mean working more strategically with fewer HE partners for example. A new HE/FE hybrid may emerge from the shape up of Higher Education funding as Universities seek new partnerships and collaboration. CPD and applied research will grow in importance too.

Evidence suggests (see above) that graduates with media degrees are some of the most employable, since they have skills that can be used across the economy. There is thus the opportunity to develop both skills for the employers within the Skillset footprint and broader skills of use to sectors across the economy such as web design. There are potentially three levels of skills development on offer through the Academies:

1. Individuals with fused skills
2. Specific skills needed within industry
3. More general skills of use to the broader economy

In the school system there are significant issues with careers advice. Students generally are not receiving high quality advice to help them understand the opportunities across the digital sectors and make appropriate subject choices. Too many careers' advisors have only a shady knowledge of how to advise students interested in a career in the Creative Media Industries. The degree of network capital required to enter many of the professions is also a handicap. The online site Skillset Careers[184] has been established to help rectify the gap of relevant careers information, advice and guidance for the Creative Media Industries. Skillset's latest research revealed that of those employers that had used Skillset's careers information, advice and guidance products/services, 57% stated it had made their company more productive and/or competitive.[185]

3.4.2 Skills Supply: Workforce Development

Demand for learning and development remains high in the Creative Media Industries. In Skillset's Creative Media Workforce Survey 2008, the most common areas of learning and development completed by employees and freelancers related to multi-platform content and new/digital technology (one in four identifying this need). However, in Skillset's 2010 Creative Media Employer Survey employers reported software packages such as Photoshop, Avid and Final Cut Pro, technical skills and sales and marketing as the areas of learning and development most commonly completed by their workforce.

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[184] www.skillset.org/careers.

[185] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

One in two members of the workforce declared a current need for learning and development. Six in ten had undertaken learning or development in the previous year, receiving an average of 11 days each (an increase from 7 days in 2005).[186] However, less than half (45%) of Creative Media employers had funded or arranged learning or development for their workforce in the past 12 months.[187]

Compared to employees, freelancers were more likely to need learning and development (60%). A smaller proportion of freelancers had undertaken learning and development (43% v. 65%) but those who had taken learning and development had undertaken more (an average of 13 days v. 9 days).[188]

Barriers to learning and development are also a challenge for the Creative Media Industries. In the 2008 Creative Media Workforce Survey, nine in ten of the Creative Media Industries workforce reported barriers or obstacles to learning and development. Overall, the most common were that fees are too high (40%), employers were unwilling to pay for learning and development (34%), and it was difficult to assess the quality of courses (27%). There were considerable differences between the experiences of employees and freelancers. A far higher proportion of freelancers than employees reported virtually every type of barrier. For example, freelancers were more likely to say fees were too high (reported by 62% of freelancers v. 34% of employees), and to fear losing work due to committing time to learning and development (37% v. 7%). The only barriers more widely reported by employees than freelancers were difficulty assessing the quality of courses, and employers being unwilling to pay for learning and development.[189] In addition, 39% of Creative Media employers do not make the learning and development they provide available to freelancers.[190]

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[186] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

[187] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

[188] Skillset (2008) Creative Media Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

[189] Ibid

[190] Skillset (2010) Creative Media Employer Survey. Excludes Advertising

Almost half (47%) of employers cited barriers that restricted their ability to provide more learning and development. Of these, two in ten reported that learning and development is not considered to be a priority at the current time. This issue was most significant for employers within Content Creation (28%) and Publishing (22%) and less important for those in Radio (7%).[191] This trend could at least be partly attributable to the recession as previous research showed that one in two Creative Media companies said their ability to deliver learning and development has been affected by the recession.[192]

A particular issue in terms of workforce development for the digital economy is the key role of leaders and managers in creating new business models and exploiting the opportunities provided by digital platforms. SMEs in particular need help, which is not currently widely available, to understand the potential, find new approaches to content creation and Intellectual Property exploitation, and develop new business models for growth.

Skillset's Creative Media Employer Survey 2010 investigated the usage of apprenticeships, graduate internships and work placements/work experience posts. Less than one in ten Creative Media employers offer apprenticeships (9%) though two fifths (40%) consider doing so in the future. This is a clear priority area for the Coalition Government and more resources are being invested in developing apprenticeship approaches.[193] The proportion of employers that offer apprenticeships ranges from 24% in Film Distribution and Exhibition to just 2% in Publishing of Journals and Periodicals. This mirrors trends within the wider Film and Publishing sectors. The occupations that employers most frequently have or would consider offering apprenticeships in are art and design (18%), camera/photography (16%), technical development (15%) and distribution, sales and marketing (15%).[194]

Graduate internships were twice as likely as apprenticeships to be offered by Creative Media employers (18%). In addition, another 36% would consider offering an internship. A significantly higher proportion of employers than

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[191] Ibid

[192] Skillset (2009) From Recession to Recovery. Based on a sample of 262 employers.

[193] www.hm-treasury.gov.uk/spend_sr2010_speech.htm

[194] Skillset (2010) Creative Media Employer Survey. Excludes Advertising

average within Commercials Production and Other Content Creation (44%), Film Production (43%) and Content for Computer Games (41%) offer graduate internships.[195]

Almost three quarters of Creative Media employers offer or would consider offering work placements or work experience posts (74%). This includes 49% of employers that already offer work placements/work experience posts, with Community/Voluntary Radio (88%), Broadcast Radio (77%) and Publishing of Newspapers (73%) the sectors most likely to offer already.[196]

Half of employers reported that they have not offered or considered offering apprenticeships (50%) and graduate internships (44%). The most common reasons cited for this include not taking on inexperienced people/preferring to recruit fully trained or qualified staff; not worth the time for the money received; all employees being fully trained; and the contribution of the apprentice/intern is not financially viable.

3.4.3 Skills Supply: Diversity

A particular issue in terms of skills supply into the Creative Media Industries is the changing profile in terms of women and Black, Asian and Minority Ethnic representation (see Table 20), which has fallen sharply in recent years in some sub-sectors, along with an increase in people leaving the industries in their thirties and forties.[197]

There is considerable variation across the sub-sectors. Some such as Television, Radio, Film, Photo Imaging, Publishing, Advertising and some areas of Facilities at least have female representation above 40%. However for the Content for Computer Games industry the story is nothing short of shocking. Moreover with the exception of Advertising no sub-sector performs very creditably when it comes to representing people from BAME backgrounds.

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[195] Ibid

[196] Ibid

[197] Skillset (2008) Creative Media Workforce Survey; Skillset (2006) Balancing Children and Work in the Audio Visual Industries; Skillset (2005) Survey of the Audio Visual Industries' Workforce; Skillset (2003) Workforce Survey.

Table 20: Diversity by Sub-Sector

Sector	%Women	%BAME
Television	41	9
Terrestrial TV	48	9
Cable & Satellite Television	36	12
Independent Production (TV)	38	7
Radio	44	7
Broadcast Radio	45	7
Independent Production (Radio)	30	4
Other Content Creation	14	4
Commercials production and Pop Promos	15	5
Corporate production	14	4
Animation	19	2
Archives & Libraries	16	4
Interactive Media	6	4
Online Content	6	5
Offline Multimedia	5	0
Mobile Content	1	0
Other Interactive Media	3	1
Film	41	6
Cinema Exhibition	43	4
Film Distribution	41	7
Film Production	41	9

Sector	%Women	%BAME
Facilities	26	7
Post Production	12	5
Special Physical Effects	36	5
Studio & Equipment Hire	23	8
Manufacture of AV Equipment	34	4
Other Services for Film and Television	33	8
Processing laboratories	46	17
Outside broadcast	9	3
Visual FX	19	8
Publishing	46	5
Photo Imaging	42	5
Advertising	42	11
Content for Computer Games	6	3
Games Development	7	3
Games Publishing	3	0
Games Development Support	2	18

Sources: Skillset (2009) Employment Census, Skillset/UK Film Council (2007) Feature Film Production Workforce Survey 2008 and Labour Force Survey July 2009 – June 2010.

Similarly as indicated by Table 8 on page 29, age is also an issue of some concern to the sector, mainly because in some sub-sectors so many people are comparatively youthful – take Cable and Satellite Television for example where more than 45% are under 35; and in some there is a predominance of older more experienced people who will reach retirement age in the next decade or two – see for example Transmission where over 87% are over 35 and 50% aged 35-49, or Outside Broadcast where 74% are over 35, or archiving and library work where 73% are over 35.

A project undertaken by Skillset this year to map Creative Media and Fashion & Textiles relevant education and training provision in FE, HE, and the private sector also looked at the demographics of those in the education system. Looking specifically at HE the following demographic profile emerges[198]:

- Skillset relevant students are generally younger than their non-Skillset relevant counterparts. 45% of Skillset relevant students are aged 18-20 years compared with 29% of all students on non-Skillset relevant courses, whilst just 15% of Skillset relevant students are aged 30 or over, compared with 33% of students on non-Skillset relevant courses. Advertising, Radio, Publishing and Film courses are dominated by the youngest students;

- Male students make up a greater than average proportion of students on Skillset relevant courses with 57% of all students being men. This compares with 40% of students on non-Skillset relevant courses. TV, Film, and Advertising courses have the highest level of female students, whilst Facilities, Interactive Media and VFX tend to be more male dominated;

- Students from BAME backgrounds are slightly more common on Skillset relevant courses than non-Skillset relevant courses. 15% of Skillset relevant students come from a BAME background compared with 14% on non-Skillset relevant courses. Almost one fifth (17%) of all BAME students in the UK study Skillset relevant courses. Students from BAME backgrounds are most common on Interactive Media, Computer Games, and VFX courses;

- Skillset relevant students are more likely to have disabilities than their counterparts on non-Skillset relevant courses. On Skillset relevant courses 11% are students with disabilities compared with 8% of students on non-Skillset relevant courses. Courses relevant to Animation, TV, Film, and Photo Imaging have higher than all Skillset relevant courses numbers of students with disabilities.

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[198] All figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK. NB These figures include Fashion & Textiles which is not in the scope of this SSA. Further information regarding this study can be found in the methodology section.

3.5 Sub-Sectors

Television

Overview

Television is one of the major sectors within the Creative Media Industries. It comprises Broadcast Television (Terrestrial and digital/satellite/cable), Independent Production, Distribution and Video on demand, DVD and Interactive Television. Current estimates suggest that around 50,000 people are employed across the sector in the UK.[199] The majority of jobs - around 43% - are in the Independent Production sub-sector while Terrestrial Broadcast and Cable and Satellite respectively enjoy 31% and 25% of the total.[200]

The Television sector comprises over 1,250 businesses (350 Broadcast TV and 850 Independent Production).[201] The independent sector is made up of mainly small companies (some 85% employ less than 50 people) though some companies operate at scale.[202]

An estimated 34,000 people work in Broadcast TV in the UK.[203] The BBC is the largest employer and producer of the Public Service Broadcasters (PSBs). The Broadcast TV industry comprises just over 350 businesses including the eight Terrestrial Broadcast TV companies (BBC, ITV, Channel 4, Five, S4C, STV, UTV and Channel Television). In addition to the main terrestrials there are over 300 digital, cable, satellite and distribution companies. The current age of austerity has meant that all the public sector broadcasters are under considerable pressure to cut budgets. The BBC has taken on the funding of the World Service for example and S4C will come into its funding remit from 2013. The government will cut S4C's funding by 24% over the next four years as a

[199] Skillset (2009) Employment Census

[200] Ibid

[201] Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives.

[202] Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTSR (May 2009).

[203] Skillset (2009) Employment Census

consequence. While the BBC will see 16% cut from its budget over the next six years as a consequence of these decisions.[204]

Broadcast TV, like the rest of the Creative Media Industries, is characterised by a much higher proportion of freelance and short-term contract working than the economy as a whole. Overall, 28% of the TV sector works freelance (though figures vary from 44% in Independent Production to 11% in Cable and Satellite TV).[205] The sector also draws on the Facilities and Animation sectors for support. The sector is highly qualified with 71% of workers holding a degree.[206]

Around two thirds of the TV industry (66%) is based in London, but there are creative clusters in cities around the UK. The North West is the second largest centre of activity, with 10% of the workforce, but there are both broadcasting and production companies in Glasgow, Cardiff, Bristol, Birmingham, Leeds and Liverpool, among others.

A recent study carried out by NESTA maps the UK's creative clusters and shows that a large number of 'Television and Radio' (combined) firms are based around London, Manchester, Bristol, and outside of England Cardiff and Glasgow. There is a significant presence in the South West of London. On a more local level additional 'creative agglomerations' are concentrated in London and its surrounding areas (Wycombe and Slough), Brighton, Bristol, Cardiff and the North of Wales and Scotland.[207]

A number of factors suggest a growing importance for the TV sector as an employer within the Creative Media Industries. These include:

- Developments in high definition, interactive and online television together with professionally produced content which have strengthened the sector in the face of pressure from user generated content;
- Proliferation of digital TV channels providing an increasing market for the independent production sector;
- Regulatory and other commitments to increase output outside of London including commitments by the BBC.
- The development of local community television

[204] www.bbc.co.uk/news/uk-politics-10924719

[205] Skillset (2009) Employment Census

[206] Skillset (2008) Creative Media Workforce Survey

[207] Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

- The rise of 3DTV

Supply

In HE: 6,020 TV-relevant courses[208] exist across the UK and these courses were being studied by 125,152 students[209] in 2008/09. An above average proportion of these learners are female (59%), whilst 10% are BAME and 14% had an identified disability. In 2008/09 40,193 individuals attained a TV related qualification (consisting of 7,423 Postgraduate, 27,504 first degrees, 1,382 foundation degrees and 3,883 other undergraduate qualifications).[210]

In FE: we have identified 756 learning aims[211] that are in some way relevant to the TV sector and these account for 312,448 learners in England in 2008/09 (second only to Film in the Creative Media Industries). 45% of these learners are female, 14% are BAME and 12% had an identified disability.[212]

In the private sector: Of the 25 providers supplying usable information regarding provision to the TV sector a total of 560 courses were identified. These courses most commonly covered Broadcast Journalism, TV Writing and Project Management (specific to Management and Leadership). Specific skills covered commonly included TV Pitching Skills, Creative Development and Post Production Workflows.

Demand for learning and development by the TV sector workforce according to respondents to the Skillset 2008 Creative Media Workforce Survey in the three main sub-sectors remained high at more than 50% of respondents but down on the more than 60% of 2005. The most requested subjects of learning and

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[208] See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

[209] The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

[210] Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[211] We have used a subject-led approach to define learning activity, based on the Learning Aim classification system used for FE provision. Therefore Learning Aims do not always represent explicit courses, but rather cover a learning activity that a learner will undertake to complete, or contribute to the completion, of a specific qualification. As with JACS codes in HE, we have identified Learning Aims relevant to Skillset sectors and a single learning aim may have relevance to a number of key sectors.

[212] Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

development was in ‘editing’ (11% of respondents), software specific to the industry (16%) production (10%) and camera (8%).[213]

Approaching two-thirds (63%) of Television employers fund or arrange learning or development for staff, compared to 45% of employers across the Creative Media Industries.[214] There was slight variation between TV Broadcasters (including Terrestrial, Cable & Satellite and Distributors - 69%) and TV Production companies (60%). Three quarters (76%) of TV employers who use freelancers also extend learning and development opportunities to them.[215]

A third (33%) of TV employers have a learning and development plan for the year ahead (varying from 52% of TV Broadcasters to 23% of TV Production companies). This is higher than the 18% of employers across the wider Creative Media Industries.[216]

Skills Shortages

A third (32%) of TV employers have current vacancies, and of these employers three in ten (31%) report having hard to fill vacancies and hence skills shortages (varying from 22% of TV Broadcasters to 43% of TV Production companies). The TV average is actually lower than the Creative Media employer average of 46%.[217] The occupation in which these skills shortages exist most commonly is Production (for 38% of TV employers).

TV employers also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are leadership and management (32%), creative talent (23%), sales and marketing (22%), multi-skilling (20%) and skills in using sector specific software packages (19%).[218]

Other evidence also highlights specific shortages in the following areas:

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[213] Skillset (2008) Creative Media Workforce Survey

[214] Skillset (2010) Creative Media Employer Survey

[215] Ibid

[216] Ibid

[217] Ibid

[218] Ibid

- A shortage of skills in special effects generation (which is also a problem in the context of the film sub-sector);
- A shortage of leadership and management skills within independent production companies cited as a learning and development need by 13% of the workforce.[219]
- A shortage in higher level business skills, including management and leadership, amongst senior executives (e.g. in securing multi strand funding packages and brand sponsorship for commercial TV projects);
- A shortage in entrepreneurial skills (and confidence) both in terms of those employed at various levels within the industry, and also amongst freelancers, particularly freelancers who may have been forced to take this route as a result of redundancy.[220]
- A shortage of new graduates into the industry with the ability to develop strong stories for Television drama, though journalistic skills remain well supplied.

Current Skills Gaps

A third (32%) of TV employers report a skills gap within their current workforce, with little variation by sub-sector and only slightly higher than the Creative Media employer average (27%).[221]

More than half of TV employers highlighted leadership and management (53%), and sales and marketing (53%) as broad areas in which skills gaps exist amongst employees. Creative talent (40%), skills in using sector specific software packages (32%) and technical skills (32%) were also highlighted as skills gap areas by between three and four in ten TV employers. Within the broad category of 'technical skills' – editing, TV/video production, camera and sound were the most common specific areas of skills gaps.

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[219] Skillset (2008) Creative Media Workforce Survey

[220] Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTSR (May 2009)

[221] Skillset (2010) Creative Media Employer Survey

Amongst freelancers the areas of skills gaps reported are very similar. TV employers most frequently mentioned skills gaps relating to sales and marketing (36%), skills in using sector specific software packages (32%), leadership and management (30%), creative talent (29%) and technical skills (28%). Again camera, sound and editing were the most frequently mentioned types of technical skills.

Skills gaps amongst their current workforce were most frequently associated with strategic management (43%) and production (29%) roles for employees and production (42%) roles for freelancers.[222]

Furthermore, other evidence direct from the workforce shows that:

- Over half (55%) of the TV workforce have received some learning and development. This varied from two thirds (64%) of the Broadcast TV workforce, to 53% of the Cable and Satellite workforce and 48% of the Independent Production workforce. Two thirds (64%) of permanent employees working in the TV industry had received some learning and development compared to just 37% of freelancers.[223]
- On average the TV workforce received 5.1 days learning and development. Individuals working in independent production received the greatest number of days learning and development on average (5.5 days) compared with an average of 4.9 days for both the cable and satellite and broadcast TV workforce. Freelancers received an average of 3.7 days, compared to the 5.9 days received by employees.[224]
- The TV workforce were most likely to have received learning and development in health and safety (19%), specific software applications (16%), editing (14%), camera (11%), production (10%) and ethics/ safeguarding trust (9%).[225]

[222] Ibid

[223] Skillset (2008) Creative Media Workforce Survey

[224] Ibid

[225] Ibid

Future skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly TV employers predicted that there would be gaps in a wide variety of broad skills areas: Technical skills (mentioned by 33% of TV employers), skills to develop content for multiple platforms (30%), leadership and management (30%), sales and marketing (28%), multi-skilling (28%), creative talent (27%) and skills in using sector specific software packages (27%).

Within the broad category of 'technical skills', TV employers were most likely to specifically mention editing (13%), TV/Video production (11%) and camera skills (7%). Likewise within 'skills to develop content for multiple platforms' there were a huge variety of specific potential future skills gaps mentioned, the most common relating to general computer skills (predicted by 9% of TV employers).

In terms of identifiable skill needs in the future, the main focus for the TV sub-sector seems to be:

- Programme innovation;
- Deal structuring;
- Cross media ownership;
- IP issues;
- Extended scheduling skills;
- Diagonal thinking across creativity and entrepreneurialism;
- Multi-platform awareness.

The skills will be most needed in commissioning, scheduling, transmission and distribution, followed by production and post production, and lastly concept development. All skills will need to be applied across a variety of output platforms.[226] The introduction of YouView next year is particularly likely to create related skills needs around the production of content for multiple-platforms.[227] Channel 4 have already committed several million to developing

[226] Ibid

[227] YouView is a partnership between the BBC, ITV, BT, Channel 4, Five, Arqiva and Talk Talk to develop a common interface for Internet Protocol Television (IPTV) in the UK. To be launched in 2011, YouView will attempt to replicate the success of Freeview for internet television. See www.youview.com

apps for this platform, but other broadcasters should soon follow suit – skills will be in demand for this new platform over and above TV. Underpinning these skills areas, high quality management skills will also increasingly be in demand, including:

- Asset exploitation and management;
- Risk management;
- Project management;
- Partnership and investor relation management;
- Marketing and promotional management.

Finally, technical expertise will continue to be highly important as digitisation continues to increase the technical content of the Creative Media Industries processes, products and services.[228]

Film

Overview

Despite the shockwaves created by the demise of the UK Film Council, the Film sector in the UK has much latent potential and is a repository of fine technical talent. Indicative findings also suggest that the sector enjoys relatively strong levels of workforce diversity: 41% of the Film Production workforce is female.[229] This despite the reportedly long hours and intensive culture associated with film - with 43% of the sub-sector's workforce across the UK reporting that they worked between 11 and 12 hours a day.[230] The sub-sector has a 6% representation of BAME groups across the UK Film sector (9% in Film Production).[231] Around 3% of the UK Film Production sub-sector consider

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[228] Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTSR (May 2009)

[229] Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

[230] Although it might be surmised that the long hours are worked for blocks of time associated with film shoots, rather than on an ongoing basis.

[231] Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

themselves to be disabled with 42% of these reportedly below 35 years of age.[232]

The Film sector comprises over 500 businesses (250 Film Production, 150 Cinemas and 100 Film Distribution).[233] Employers report confidence across the sector and the UK has an enviable position in the global market context in areas such as Facilities, particularly VFX, acting talent, and technical skills such as camera, sound, lighting, set design etc.

A recent study carried out by NESTA maps the UK's creative clusters and shows that a large number of 'Video, Film and Photography' firms are based in London, Manchester, Birmingham, Brighton, Bristol and Glasgow. On a more local level additional 'creative agglomerations' are concentrated in London and its surrounding area (towards Oxford and Guildford, as well as Slough and Wycombe), and Brighton, Bristol and Bath.[234]

2009 was the year cinema bucked the recession. UK cinema visits of 174 million made 2009 the second highest year for admissions since 1971, while the UK box office grew to a record £944 million. 2009 was also an excellent year overall for film production in the UK, with studios busy with inward investment films such as *Harry Potter and the Deathly Hallows*, *Robin Hood*, *Gulliver's Travel*s and *Clash of the Titans*. The UK spend of inward investment films reached £753 million, the highest on record, while the total UK spend of £957 million was, after 2003, the second best year on record. However, within this positive scene, domestic UK films had a tougher time, finding it harder to raise money and lowering their budgets as a result. Co-productions have been most affected by changes in the regulatory and economic environment. Only 22 were made in 2009, with a combined UK spend of £35 million.[235]

The nature of the Film Production sector raises concerns surrounding retention. The Film Production sub-sector is characterised by very high levels of freelance

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[232] Ibid

[233] Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives.

[234] Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

[235] UK Film Council (2010) Statistical Yearbook

working – 89% – suggesting a highly mobile workforce.[236] Associated with this finding, 85% of the surveyed UK Film Sector workforce stated that they had received no learning and development over the previous year.[237]

Production occupations are most numerous; 24% of the workforce reportedly working in this role. Similarly, 23% work in Art and Design and 10% in Camera/Photography jobs roles giving rise to concerns that freelancing may be overly concentrated in these sub-sectors.[238]

Supply

In HE: 6,414 Film-relevant courses[239] exist across the UK and these courses were being studied by 128,539 students[240] in 2008/09. An above average proportion of these learners are female (58%), whilst 10% are BAME and 14% had an identified disability. In 2008/09 41,328 individuals attained a Film related qualification (consisting of 7,261 Postgraduate, 28,911 first degrees, 1,400 foundation degrees and 3,755 other undergraduate qualifications).[241]

In FE: we have identified 757 learning aims that are in some way relevant to the Film sector and these account for 318,988 learners in England in 2008/09 (the highest of all Creative Media sectors). 45% of these learners are female, 14% are BAME and 12% had an identified disability.[242]

In the private sector: Of the 42 providers supplying usable information regarding provision to the Film sector a total of 650 courses were identified. These courses most commonly covered Cinematography, Film Music Copyright and

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[236] Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

[237] Skillset/UK Film Council (2008) Feature Film Production Workforce Survey

[238] Skillset (2009) Employment Census and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. Caution should be taking in drawing conclusions based on these findings due to sample sizes.

[239] See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

[240] The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

[241] Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[242] Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

Project Management and Film Leadership Skill Development (specific to Management and Leadership). Specific skills covered commonly included Design Skills for Art Directors, Adobe and Apple Products and Film Archiving.

Skills Shortages

Just 15% of Film employers in the UK reported having vacancies at the time of Skillset's 2010 Creative Media Employer Survey, and very few of these employers had any hard to fill vacancies and hence skills shortages.[243] Those that did have hard to fill vacancies were mainly in Creative Development roles.

Film employers in England highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are leadership and management (55%) and sales and marketing (35%).[244]

Data from the Skillset/UK Film Council Feature Film Production Workforce Survey 2008 revealed that First Aid/Health and Safety was the most frequently undertaken learning and development in the UK Film Production sub-sector. 17% of the workforce undertaking learning and development in the last 12 months, received this type of learning and development. Art/Design, Camera and construction were all undertaken by 12% of those receiving some learning and development. Overall, freelancers tended to undertake less learning and development than those permanently employed, though much of this finding can be put down to regulatory/compliance and business administration learning and development being mainly undertaken by permanent workers. For specialist technical areas, the percentages trained were broadly similar.

Of the UK Film Production sector 52% stated they needed learning and development in the future. Of these, 19% mentioned they were looking to up-skill on core business skills – (including finance, leadership and management, marketing and management). Interestingly, the percentage of freelancers requesting learning and development in core business skills was much higher than the percentage that had recently received learning and development in this area. Some 16% required learning and development in art/design, 13%

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[243] Skillset (2010) Creative Media Employer Survey

[244] Ibid

camera, 12% general computer/administration skills and 8% technical skills in editing/post production/digital production/visual effects.[245]

Current Skills Gaps

Over a third (37%) of Film employers report a skills gap within their current workforce, which is higher than the English Creative Media average (27%).[246]

More than half of Film employers highlighted sales and marketing (53%) an area in which a skills gap exists amongst employees. Skills in using sector specific software packages such as Photoshop, Avid and Final Cut Pro (43%) and business skills (particularly business planning/strategy 41%) were also highlighted as skills gap areas. Similar skills gaps were linked to the freelance workforce, with the addition of finance skills and multi-skilling. [247]

Skills gaps amongst their current workforce were most frequently associated with business management roles for employees and production roles for freelancers.[248]

Approaching three fifths (58%) of Film employers fund or arrange learning or development for staff, compared to 45% of employers across the Creative Media Industries.[249] Approaching half (46%) of Film employers who use freelancers also extend learning and development opportunities to them.[250]

A fifth (19%) of Film employers have a learning and development plan for the year ahead (similar to the 18% of employers across the wider Creative Media Industries).[251]

Further research on skills gaps and shortages has revealed that current generic skill needs in the context of the film sub-sector included:[252]

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[245] Skillset (2008) Creative Media Workforce Survey and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

[246] Skillset (2010) Creative Media Employer Survey

[247] Ibid

[248] Ibid

[249] Ibid

[250] Ibid

[251] Ibid

- Negotiation and diplomacy (with colleagues and customers);
- Management and leadership (for example, team motivation and conflict resolution);
- Commercial skills (commercial acumen, knowledge of the firm's value chain, finance for non-finance managers);
- High end production skills, particularly in areas outside London;
- Story or narrative skills.

Moreover, current specialist skills needs include:[253]

- Shortage of production accountants due to low pay relative to other sectors;
- Development executives with insight and commercial acumen;
- Location managers with up to date knowledge of legal developments;
- Producers with commercial acumen;
- Experienced crew spread throughout the UK;
- Information Management (including market analysis) using ICT;
- Business models for small businesses;
- Film buyers with commercial insight from marketing or audience perspective;
- Fundraising for small businesses;
- Exploiting new business opportunities (corporate events and lets).

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Film employers predicted that there would be gaps in relation to leadership and management (40%), finance skills (30%), sales and marketing (30%) and skills to develop content for multiple platforms (28%, including 13% specifically mentioning digital broadcasting and digital projection).

To compete in the global market and maintain previous inward investment levels, a highly skilled workforce is essential. As HD, digital and 3D

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[252] Skillset (2009): Film Sector Employers Skills and Training Needs in Production, Distribution and Exhibition.

[253] Ibid

technologies are introduced production crew must be re-skilled to understand new work practices.

It is anticipated that future skill needs within film will centre on developments in new digital technology.[254] Specifically, this will require skills in change management and exploiting opportunities such as online and digital sales as well as dealing with threats such as file sharing. Respondents also noted the need to:

- Keep up to date in camera technology;
- Data management (particularly in relation to the logistics of tracking master materials in digital format);
- Health and safety (especially risk assessment by HoD and Producers);
- Availability of construction and lighting crew (as a result of the Olympic Games in 2012 likely to take up much of this capacity);
- Management level learning and development around new business models

Radio

Overview

The Radio industry consists of around 750 organisations, independent stations and other companies comprising BBC Radio, around 250 commercial radio groups and independent stations, 400 community and voluntary radio stations and over 50 independent production companies for radio.[255]

The Radio industry is characterised by a small number of large radio groups and a large number of smaller groups and independent stations. The BBC, Global Radio and Bauer dominate the landscape of 'traditional' larger businesses and between them now account for a high proportion of the radio sector workforce. Current trends point towards increasing listening through digital platforms, a shift in balance from public service to commercial radio at national level, and growth of community radio. The community sector contains a range of non-profit organisations offering radio services to specific communities

[254] Ibid

[255] Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives.

on a local level. It includes student radio, hospital radio and British Forces Broadcasting Services.

A recent study carried out by NESTA maps the UK's creative clusters and shows that a large number of 'Television and Radio' (combined) firms are based around London, Manchester, Bristol, and outside of England Cardiff and Glasgow. There is a significant presence in the South West of London. On a more local level additional 'creative agglomerations' are concentrated in London and its surrounding areas (Wycombe and Slough), Brighton, Bristol, Cardiff and the North of Wales and Scotland.[256]

The sector numbers 20,900 people[257] and the employment profile shows somewhat higher levels of diversity than that found in other parts of the Creative Media sector, with the second highest ratio of female workers (44%) of any sector. Though that falls to just 30% in the independent sector. Representation from BAME groups is around 7%. Overall, just under a quarter (23%) of the workforce is freelance, but substantially more amongst the 4,450 people working in the sector within the broadcast management occupational group (62%).[258]

Key developments and trends in the UK Radio market include:

- RAJAR (Radio Joint Audience Research Ltd) figures released for the first quarter of 2010, show that radio listening is at an all time high, with the number of listeners tuning into a Commercial Radio service increasing to over 32 million weekly listeners - the highest figure since 2002. Commercial Radio's weekly reach has increased quarter on quarter and year on year by almost 0.8m and 0.7m listeners respectively, with both national and local commercial radio recording gains in the number of listeners tuning in.
- Increased competition: across the UK with 9% more stations in the UK in 2008 than 2003.[259]

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[256] Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

[257] Skillset (2009) Employment Census

[258] Ibid

[259] Ibid

- Increased use of Digital technology: Recommendations in Digital Britain report are for an analogue to digital 'migration' of the majority of radio services in the UK by 2015.[260] 30% of UK households were thought to have DAB Digital radio in 2008 compared to 2% in 2003.[261]
- Increased demand for multi-platform output and content: A third of adults had listened to radio online, according to the RAJAR internet and audio services survey carried out in May 2009. This was up from 29% a year earlier and 24% 18 months ago.

All this points to future skills demand not only in relation to core roles - like sound and broadcast engineering - but also, increasingly, in relation to digital technology and multi-platform / multi-media content.

Supply

In HE: 3,266 Radio-relevant courses[262] exist across the UK and these courses were being studied by 60,564 students[263] in 2008/09. An above average proportion of these learners are female (51%), whilst 10% are BAME and 12% had an identified disability. In 2008/09 18,715 individuals attained a Radio related qualification (consisting of 3,437 Postgraduate, 12,785 first degrees, 477 foundation degrees and 2,045 other undergraduate qualifications).[264]

In FE: we have identified 502 learning aims that are in some way relevant to the Radio sector and these account for 208,566 learners in England in 2008/09. 23% of these learners are female, 15% are BAME and 10% had an identified disability.[265]

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[260] Ibid

[261] Ibid

[262] See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

[263] The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

[264] Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[265] Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

In the private sector: Of the 11 providers supplying usable information regarding provision to the Radio sector the courses most commonly covered were: Writing for Radio and Compliance in a Radio Environment. Specific skills covered commonly included Radio Post-Production and News and Speech in a Radio Environment.

Skills Shortages

A third (32%) of Radio employers have current vacancies, and of these employers 35% report having hard to fill vacancies and hence skills shortages (lower than the Creative Media employer average of 46%).[266] The occupations in which these skills shortages exist most commonly are distribution, sales and marketing, editorial, journalism and sport and performers.

Radio employers also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are leadership and management (33%), sales and marketing (32%), multi-skilling (27%) and finance skills (23%).[267]

Other evidence indicates that craft skills remain a high priority for the sector especially in the field of digital content. T-skills are in short supply with people who are technically expert but also in possession of strong creative skills and communication skills such as teamwork. Entrepreneurialism, management and general business acumen is still lacking in much of the sector. In particular, having managers who can coordinate many functions and understand all of them. Finally sales and marketing skills are missing at a sufficiently high level across much of the sector.[268]

Current Skills Gaps

A third (31%) of Radio employers report a skills gap within their current workforce, higher than the Creative Media average (27%).[269]

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[266] Skillset (2010) Creative Media Employer Survey

[267] Ibid

[268] Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTSR (May 2009)

[269] Skillset (2010) Creative Media Employer Survey

More than half of Radio employers highlighted sales and marketing (60%) and leadership and management (50%) as broad areas in which skills gaps exist amongst employees. Finance skills (40%), business skills (35%), multi-skilling (33%) and technical skills (33%) were also highlighted as skills gap areas. Amongst freelancers skills gaps are very similar with the addition of production and technical skills (including editing and sound).[270]

Skills gaps amongst their current workforce were most frequently associated with distribution, sales and marketing roles for both employees and freelancers.[271]

Two-thirds (66%) of Radio employers fund or arrange learning or development for staff (varying from 77% of those in Broadcast Radio to 59% in Community/Voluntary Radio), compared to 45% across all Creative Media employers. Over four fifths (83%) of Radio employers who use freelancers also extend learning and development opportunities to them.[272]

Four fifths (39%) of Radio employers have a learning and development plan for the year ahead (much higher than the 18% of employers across the wider Creative Media Industries).[273]

Overall, 51% of the UK Radio workforce were thought to have unmet learning and development needs. Areas of training most commonly cited by the Radio workforce are production (18%), journalism/presenting (15%), management and leadership (14%), on-line/web design/interactive media/electronic games (12%), editing (11%) and specific software (11%).[274]

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. The most common future skills gap predicted by Radio employers is sales and marketing (mentioned by 40% of employers). Leadership and management (30%), multi-skilling (28%), creative talent (25%),

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[270] Ibid

[271] Ibid

[272] Ibid

[273] Ibid

[274] Skillset (2080) Creative Media Workforce Survey

skills to develop content for multiple platforms (22%) and production skills (22%) were also common.

Within ‘skills to develop content for multiple platforms’ there were a huge variety of specific potential future skills gaps mentioned, the most common relating to ‘online and social media publishing or content distribution’ and ‘design and development of web sites or web applications (both predicted by 7% of Radio employers).

Animation

Overview

The Animation sector employs around 4,300 people of which 46% are freelance, 19% female and only 2% from a BAME background.[275] The animation workforce has healthy clusters in Wales and Scotland (9% and 12% respectively of the total UK workforce) and 20% are in London.[276]

There are in excess of 600 Animation businesses in the UK.[277] The vast majority with fewer than 50 staff.

Whilst many will think of Aardman Animation as being the quintessential British Animation company (Wallace and Gromit, Sean the Sheep), Animation underpins many other sectors of the Creative Media Industries – hundreds of animators work in VFX companies such as Double Negative, Framestore and MPC within the square mile of Soho; or within large Content for Computer Games companies across the UK. However, the sector’s reliance on other Creative Media Industries such as Television, VFX and Games, means it is susceptible to changes in those Industries.[278] Furthermore, the UK sector is seeing competition from low cost but increasingly highly quality producing

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[275] Skillset (2009) Employment Census

[276] Ibid

[277] Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives.

[278] Skillset has contributed to the BIS/DCMS commissioned NESTA review of skills in Games and VFX chaired by Ian Livingstone and Alex Hope. Due to be published on 1st February 2011 the review will provide a comprehensive overview of current skills issues and policy recommendations for these sectors.

international competitors from countries such as China, Korea and Singapore and from tax-friendly regimes in other countries, notably Canada.[279]

Nevertheless, 2009 was a good year for the UK Animation Industry with 191 hours of Animation worth £102m produced (or co-produced) by British Companies, more than any year since Screen Digest started monitoring. The UK was behind the US (330 hours), Canada (382) and France (259), but unlike these, saw a rise from the previous year.[280]

Growth in computer generated animation has opened up new markets but the need for novelty and innovation has led to a revisitation of stop frame animation (Fantastic Mr Fox and Tim Burton's Frankenweenie both shot in the UK). However, falling advertising revenues for children's programmes – linked to new restrictions on advertising to children – have seen a reduced number of broadcasting commissions for animation.[281] Indeed animation productions made in the UK have more than halved in the last five years.[282]

We can see two levels of skills – core and specialist – intertwined within today's Animation companies.

There is the creativity, inventiveness and innovation of small companies supplying the Broadcast and Advertising Industries and harnessing new cross-platform opportunities and exploiting European markets. Companies like Blue Zoo, Passion Pictures and Studio AKA compete in a global market with music promos, commercials and TV idents, built on a bedrock of traditional art skills. Whilst relatively small in terms of employees they represent and feed a strategically important industry for the UK - that of Advertising.

Secondly, there are the larger Film-centred companies, such as Aardman, Framestore and Double Negative. The modern Animation company is as much about pipelines and efficient workflows as it is about animation craft.

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[279] news.bbc.co.uk/1/hi/entertainment/8225954.stm

[280] Screen Digest figures reported in 'The Global Animation Industry: facts and stats' in IMAGINE Nov/Dec 2009

[281] Ofcom and PACT

[282] news.bbc.co.uk/1/hi/entertainment/8225954.stm

This is all giving rise to demands for a highly skilled, specialist but flexible workforce. Increased outsourcing is also likely to reduce the demand for animators and increase the demand for pre-production artists, producers and technical directors. The need for technical skills such as software development and core business skills such as client liaison e.g. working with clients to develop briefs, financial management and marketing are also likely to continue to grow, especially as Television commissions for higher cost productions are being constrained by ever tighter budgets.[283]

Supply

In HE: 1,049 Animation-relevant courses[284] exist across the UK and these courses were being studied by 22,789 students[285] in 2008/09. Approaching half (48%) of these learners are female, whilst 13% are BAME and 15% had an identified disability. In 2008/09 6,896individuals attained an Animation related qualification (consisting of 1,137Postgraduate, 4,791first degrees, 347 foundation degrees and 621 other undergraduate qualifications).[286]

In FE: we have identified learning aims that are in some way relevant to the Animation sector and these account for 2,341 learners in England in 2008/09. 52% of these learners are female, 18% are BAME and 14% had an identified disability.[287]

In the private sector: Of the 11 providers supplying usable information regarding provision to the Animation sector a total of 55 courses were identified. These courses most commonly covered 2D/3D Animation, Stop Motion and Computer Cinematography. Specific skills covered commonly included Adobe After Effects Suite, Software skills – Maya, XSi, cinema 4D, Special effects compositing and Newtek light wave and 3D shadow max.

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[283] Skillset (2009) Employment Census; www.otakunews.com/article.php?story=1548

[284] See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

[285] The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

[286] Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[287] Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

Skills Shortages

A fifth (21%) of Animation employers reported having vacancies at the time of Skillset's 2010 Creative Media Employer Survey, and around half (51%) of these employers had hard to fill vacancies and hence skills shortages.[288] Those that did have hard to fill vacancies were mainly in Animator, Art & Design, Creative Development and Business Management roles.

Animation employers also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad areas most commonly cited are skills in using sector specific software packages (27%), multi-skilling (25%), finance (24%), leadership and management (23%) and sales and marketing (21%).[289]

In addition, there is some indicative evidence of recruitment difficulties (though not necessarily skill shortages) in respect of producer roles, and at assistant producer level as with Television and Radio.[290]

Current Skills Gaps

Three in ten (30%) Animation employers report a skills gap within their current workforce, slightly higher than the Creative Media average (27%).[291]

Animation employers highlighted a wide variety of areas in which skills gaps exist amongst employees: most commonly technical skills (mainly CGI: 3D/Animation/VFX/Graphic design and computer usage), skills in using sector specific software packages, multi-skilling, sales and marketing, skills to develop content for multiple platforms (particularly the design and creation of digital content and web sites or web applications), production skills (particularly production management) and business skills (particularly commercial awareness and pitching, presentation and proposal writing). Amongst freelancers creative talent, multi-skilling and skills to develop content for

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[288] Skillset (2010) Creative Media Employer Survey

[289] Ibid

[290] Skillset (2008) Creative Media Workforce Survey; Skillset (2005) Survey of the Audio Visual Industries' Workforce

[291] Skillset (2010) Creative Media Employer Survey

multiple platforms (mainly knowledge of new technology and platforms) were the most common skill gaps.

Skills gaps amongst their current workforce were most frequently associated with strategic management and animator roles for employees and animator roles for freelancers.[292]

44% of Animation employers fund or arrange learning or development for staff, close to the 45% across all Creative Media employers. Three quarters (73%) of Animation employers who use freelancers also extend learning and development opportunities to them.[293]

Just 14% of Animation employers have a learning and development plan for the year ahead (lower than the 18% of employers across the wider Creative Media Industries).[294]

More than seven in ten (71%) of the Animation workforce stated they need learning and development. Some 47% of the sector had received learning and development in the last year with 37 days per head received. This is nearly twice as much per head as the next sector and indicates what a resource intense industry Animation is. More than 50% of learning and development fees were paid by the employer and 99% of those trained found the learning and development of direct benefit. Over 65% of those employed in the sector are seeking learning and development in areas identified as needed by the sector. While the major barrier to learning and development is the cost involved.[295]

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly Animation employers predicted that there would be gaps in a wide variety of broad skills areas: Technical skills including CGI: 3D/Animation/VFX/Graphic design (mentioned by 31% of employers), skills in using sector specific software packages (30%), business

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[292] Ibid

[293] Ibid

[294] Ibid

[295] Skillset (2008) Creative Media Workforce Survey

skills (particularly entrepreneurial skills, 29%), sales and marketing (26%), skills to develop content for multiple platforms (22%) and creative talent (22%).[296]

We are also on the edge of huge demand for Stereo 3D skills (although these are of a different order and type to Film Cinematographic Stereo 3D skills, since the 3D can be applied retrospectively to any CGI file). Also skills in Nuke software are in demand.[297]

Content for Computer Games

Overview

Whilst the papers are full of stories about Computer Games as mass market products breaking records, with the latest game 'Black Ops' selling two million units in five days on the high street in November, contributing to the biggest week for UK Games retail ever[298], and the new Kinect games system selling 1 million units in one week[299] the narrative for the UK industry feels like one of decline.

TIGA has recently revealed new data showing that the sector's workforce has contracted by nearly nine per cent since 2008.[300]

The sub-sector employs 7,050 people with 4% being freelance, 6% female and only 3% from a BAME background. Historically the workforce has also tended to be relatively young.[301] Interestingly with 2,150 workers the North West of England has the highest concentration of games developers of all regions followed by the West Midlands and East Midlands.[302] Significant clusters exist in Guildford, Cambridge, Brighton, and Dundee, although the recent closure of Realtime Worlds lead to a 60% reduction in the latter's head count.[303]

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[296] Skillset (2010) Creative Media Employer Survey

[297] Skillset's employer and stakeholder qualitative framework 2010

[298] MCV, November 19th 2010 page 10

[299] 'Retailers hail record breaking £113m Black Ops boom week' in MCV, November 19th 2010 page 4

[300] www.develop-online.net/news/36261/Revealed-UK-dev-workforce-contracts-9

[301] Skillset (2009) Employment Census

[302] Ibid

[303] Rick Gibson, When Clusters Implode, Develop November 2010

There are an estimated 485 Computer Games businesses in the UK.[304]

Increasing competition from (often tax-relief incentivised) international competitors together with the increasingly low cost of entry places significant pressure on the sector. Monetising the rapidly proliferating mobile and MMO (Massive Multi User Online) area of the market is a challenge with limited access to finance and skill shortages having been identified as key barriers to sectoral growth.[305] The sector is currently lobbying hard for the reintroduction of a tax break, promised by the last government but recently a seeming casualty of the Coalition's deficit reduction plan. There have been stories of talent flight primarily to Canada, (the UK Industry's main rival, overtaking the UK in the world rankings last year) which can afford to pay higher wages to people in the sector due to the beneficial tax regime enjoyed by the industry there and elsewhere.

Competitive companies in the sector will be seeking to recruit and/or develop a mix of very high level skills, particularly in programming and computer science, as well as more creative skills in games art and animation. Commercial skills particularly in relation to negotiation, intellectual property generation and exploitation, and online 'freemium' distribution are also in demand, together with more traditional business skills such as those associated with managing and leading technical teams. Nesta also notes that there are currently too few indigenous UK publishers of global scale, and see this as an area for future focus.[306]

Supply

In HE: 4,619 Content for Computer Games relevant courses[307] exist across the UK and these courses were being studied by 90,360 students[308] in 2008/09. A

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[304] Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives. Computer Games figure based on latest NESTA estimate.

[305] Skillset (2008) Creative Media Workforce Survey and Nesta 2008 *Raise the Game: The competitiveness of the UK's games development sector and the impact of governmental support in other countries*

[306] Ibid

[307] See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

[308] The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

below average proportion of these learners are female (24%), whilst 19% are BAME and 9% had an identified disability. In 2008/09 27,815 individuals attained a Games related qualification (consisting of 7,165 Postgraduate, 16,178 first degrees, 792 foundation degrees and 3,667 other undergraduate qualifications).[309]

In FE: we have identified 56 learning aims that are in some way relevant to the Games sector and these account for 2,037 learners in England in 2008/09. 51% of these learners are female, 17% are BAME and 14% had an identified disability.[310]

In the private sector: Of the 7 providers supplying usable information regarding provision to the Games sector a total of 53 courses were identified. These courses most commonly covered development of online games and architectural product visualisation. Specific skills covered commonly included compositing, 3D Animation for Games, writer training and compositing and modelling.

Skills Shortages

A third 31% of Content for Computer Games employers reported having vacancies at the time of Skillset's 2010 Creative Media Employer Survey, and over half of these employers had hard to fill vacancies and hence skills shortages.[311] Those that did have hard to fill vacancies were mainly in Technical Development roles.

Games employers also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Leadership and management was by far the most common problem area, followed by creative talent.[312]

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[309] Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[310] Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[311] Skillset (2010) Creative Media Employer Survey

[312] Ibid

The proportion of graduates in the UK developer population is slowly increasing. However, only 18% of games specific graduates in 2007 succeeded in gaining jobs in the industry. The quality of undergraduate programmes seems to be key: graduates from courses accredited by Skillset are nearly three times more likely to get a job in the Content for Computer Games sector than those from a non-accredited course.[313] UK Games companies also recruit from those with traditional degrees in computer science, maths, visual arts and general science courses. However, the predicted gradual decline in UK games development staff numbers over the next five years is expected to reduce the intensity of the skills shortage, with a predicted move to the need for cross platform skills, android development and self-publishing with online microtransaction capability.

Current Skills Gaps

Three in ten (30%) Content for Computer Games employers report a skills gap within their current workforce, slightly higher than the Creative Media average (27%). Sales and marketing, leadership and management, finance and business skills were the most common skills gap areas amongst both employees and freelancers, with the addition of multi-skilling amongst the latter. These skills gaps were most frequently associated with technical development and art and design roles.[314]

Over half (55%) of Content for Computer Games employers fund or arrange learning or development for staff, higher than the 45% of employers across the Creative Media Industries.[315] Two thirds (64%) of Games employers who use freelancers also extend learning and development opportunities to them.[316]

Approaching a fifth (17%) of Games employers have a learning and development plan for the year ahead (similar to the 18% of employers across the wider Creative Media Industries).[317]

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313 Skillset (2008) Creative Media Workforce Survey

314 Skillset (2010) Creative Media Employer Survey

315 Ibid

316 Ibid

317 Ibid

Three fifths (59%) of the Content for Computer Games workforce had received some learning and development, compared with 65% of the wider Creative Media workforce. Those in Content for Computer Games received fewer days learning and development on average between 2007 and 2008 than was the case between 2004 and 2005 (8.2 days compared with 12.4 days).

The Content for Computer Games workforce were most likely to have received learning and development in business skills (32%), management/leadership (30%), IT (24%), On-line/web design/Interactive Media/electronic games (15%) and specific software applications (14%).[318]

The attraction of high wages and more stable / better financed companies has led to some 'brain drain' to North America, particularly in relation to senior developers and managers. However the UK has also benefited from immigration, particularly from eastern Europe.[319]

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly Content for Computer Games employers predicted that there would be gaps in a wide variety of broad skills areas: Leadership and management (mentioned by 37% of employers), sales and marketing (31%), multi-skilling (29%), technical skills (28%) and skills to develop content for multiple platforms (28%).[320]

Within the broad category of 'technical skills', Games employers were most likely to specifically mention computer programming (18%). Likewise within 'skills to develop content for multiple platforms' there were a huge variety of specific potential future skills gaps mentioned, the most common relating to design and development of games and mobile applications.[321]

[318] Skillset (2008) Creative Media Workforce Survey

[319] Skillset (2008) Creative Media Workforce Survey and Nesta 2008 *Raise the Game: The competitiveness of the UK's games development sector and the impact of governmental support in other countries*

[320] Skillset (2010) Creative Media Employer Survey

[321] Ibid

As mentioned earlier in this report, the Livingstone Hope independent review of the Computer Games and VFX Industries is a current debate of great importance to the Computer Games sector.[322]

Facilities

Overview

The Facilities sector provides specialised technical equipment and services to every other audio visual sector. Key roles include Post Production, Studio and Equipment Hire, Outside Broadcast, Visual Effects, Special Physical Effects, Manufacture of Equipment, Processing Laboratories and Other Services for Film and Television. Overall UK wide estimates point to a workforce of around 43,000 people.[323] Nearly 30% of the total work as freelancers (rising to 44% in Studio and Equipment Hire, 42% in Other Services for Film and Television and 40% in Outside Broadcast) and the Facilities workforce has just 26% female representation. Though Processing Laboratories at 46% and Special Physical Effects and the Manufacture of AV Equipment at 36% and 34% respectively are considerably higher. While Post Production at 12%, Outside Broadcast at 9% and Visual FX at 19% are lower. There is also 7% representation from BAME groups overall with a high of 17% in Processing Laboratories and a low of 3% in Outside Broadcast.[324]

It is important to recognise that the sector's reliance on other Creative Media Industries such as Television, Film and Commercials, means it is susceptible to changes in those Industries. Recent evidence from UK Screen states that the largest market for the Facilities sector is Television, which accounts for 52% of sector turnover. Film and Commercials each account for 18% of sector turnover followed by Corporate Production (8%) and Promos (3%).[325]

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[322] Skillset has contributed to the BIS/DCMS commissioned NESTA review of skills in Games and VFX chaired by Ian Livingstone and Alex Hope. Due to be published on 1st February 2011 the review will provide a comprehensive overview of current skills issues and policy recommendations for these sectors.

[323] Skillset (2009) Employment Census

[324] Ibid - though caveats should be made around the relatively small sample sizes in the Outside Broadcast sub-sector.

[325] 'The UK Facilities Sector', UK Screen (2010),

It is important to understand that the VFX sector (most of which is in the square mile of Soho) is not only the largest VFX industry for US Film work outside of the USA but is also of strategic importance to inward investment in the UK Film value chain. Current or recent 'blockbusters' with UK VFX work are Harry Potter, John Carter of Mars, Narnia: Dawn Treader, Inception and the latest Xmen movie due in 2011. As such the UK Film industry has asked Skillset to prioritise this sub-sector of Facilities. An action plan that involves a series of roundtables of key industry personnel is leading to a VFX accreditation system, training for tutors in VFX technologies and practices, and an ahead of the curve rewiring of how VFX is taught in Skillset Media Academies. This programme intends to stem the need for the industry to go abroad for talent, taking contracts with it due to the lack of a sufficiently talented workforce in the UK.

As mentioned earlier in this report, the Livingstone Hope independent review of the Computer Games and VFX Industries is a current debate of great importance to the VFX sub-sector.[326]

In practice the sector is strongly London-centric. Some 80% of Post Production, 92% of VFX and around 45% of Studio and Equipment Hire are located in London. The notable sub-sector exceptions are the Manufacture of AV Equipment and Processing Laboratories which are almost exclusively found in the South East. This geographic concentration is hardly surprising given that the supportive role of the sector means that Facilities companies will cluster around the main markets they serve.[327]

There are an estimated 3,200 Facilities businesses in the UK (comprising over 300 Post Production businesses, 1,050 Studios or Technical Equipment Hire businesses and over 1,800 other Facilities businesses including VFX).[328]

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[326] Skillset has contributed to the BIS/DCMS commissioned NESTA review of skills in Games and VFX chaired by Ian Livingstone and Alex Hope. Due to be published on 1st February 2011 the review will provide a comprehensive overview of current skills issues and policy recommendations for these sectors.

[327] Ibid

[328] Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives.

Supply

In HE: 3,954 Facilities-relevant courses[329] exist across the UK and these courses were being studied by 77,251 students[330] in 2008/09. A below average proportion of these learners are female (31%), whilst 14% are BAME and 10% had an identified disability. In 2008/09 22,490 individuals attained a Facilities related qualification (consisting of 5,700 Postgraduate, 13,754 first degrees, 546 foundation degrees and 2,476 other undergraduate qualifications).[331]

In FE: we have identified 46 learning aims that are in some way relevant to the Facilities sector and these account for 66,912 learners in England in 2008/09. Just 2% of these learners are female, 12% are BAME and 6% disabled.[332]

In the private sector: Of the 4 providers supplying usable information regarding provision to the Facilities sector a total of 600 courses were identified. These courses most commonly covered post production technical environment. Specific skills covered commonly included IT infrastructure and management.

Skills Shortages

Just 15% of Facilities employers have current vacancies, and of these employers 46% report having hard to fill vacancies and hence skills shortages (the same as the Creative Media employer average of 46%).[333] The occupations in which these skills shortages exist most commonly are Distribution, Sales and Marketing, Art and Design and Business Management.

Facilities employers also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are leadership and management (37%), multi-skilling (32%), sales and

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[329] See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

[330] The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

[331] Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[332] Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[333] Skillset (2010) Creative Media Employer Survey

marketing (29%) and skills in using software packages such as Photoshop, Avid and Final Cut Pro (23%).[334]

It needs to be remembered that the Facilities industry, whilst fragmented has a commonality around the need for client facing skills as much as technology. The Post Production sub-sector in particular complains of the shortage of a can-do attitude, customer skills and awareness of team responsibilities within recent graduates. There is a prevalent feeling that FE and HE are not giving students the hard truths about the importance of progressing from being a runner or an assistant, but are rather asserting the idea that students will go straight into more ‘creative’ roles such as editing or camera.

Skillset has previously worked with the Facilities sector across the UK to create *First Post*, a learning and development scheme designed for new employees of Facilities sector companies, which was judged a great success, but very expensive to be scalable.[335]

- Graduate new entrants in the VFX sub-sector lack computer operating system, visual effects and specific software skills, and a lack of basic understanding of techniques, work pipelines and the industry as a whole;
- Severe difficulties in recruiting for engineering roles within Post Production (“*There are more lucrative areas than broadcasting for engineers to work in”).*[336] As what used to be the “Machine Room” stacked with VCRs and patch panels in the Post Houses has transformed into the IT room, the old engineering skills need to be combined with IT skills - a difficult mix.

Current Skills Gaps

Three in ten (30%) Facilities employers report a skills gap within their current workforce, only slightly higher than the Creative Media average (27%).[337]

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[334] Ibid

[335] Review of the First Post scheme revealed a strongly positive response from those with some involvement. However, concern has been raised about the extent to which the scheme was been promoted, particularly amongst the freelance workforce. See also Skillset (2008) Creative Media Workforce Survey.

[336] Skillset Review of First Post scheme

[337] Skillset (2010) Creative Media Employer Survey

More than half of Facilities employers highlighted sales and marketing (51%) as a skills gap area amongst employees. Leadership and management (49%), multi-skilling (42%), business skills (particularly business planning/strategy 40%) and technical skills (38%) were also highlighted as skills gap areas. Facilities employers were most likely to cite multi-skilling (43%), skills in using sector specific software packages (41%) and technical skills (particularly sound, 36%) as skills gap areas amongst freelancers.[338]

Skills gaps amongst their current workforce were most frequently associated with engineering and transmission, strategic management, art and design and distribution, sales and marketing roles.[339]

Over half (54%) of Facilities employers fund or arrange learning or development for staff, higher than the 45% of employers across the Creative Media Industries.[340] Approaching three quarters (72%) of Facilities employers who use freelancers also extend learning and development opportunities to them.[341]

Over a fifth (22%) of Facilities employers have a learning and development plan for the year ahead (slightly higher than the 18% of employers across the wider Creative Media Industries).[342]

Demand for learning and development by the workforce in this sector is varied. Two per cent of graduates and non-graduates alike wanted learning and development in Post Production and 3% of non-graduates wanted learning and development in driving and operating lifts and vehicles.[343]

The 2008 Creative Media Workforce Survey and UK wide review of the First Post scheme revealed:

- Skills gaps in the Visual Effects sub-sector workforce in relation to project management, people management, and basic administration;

[338] Ibid
[339] Ibid
[340] Ibid
[341] Ibid
[342] Ibid
[343] Skillset (2008) Creative Media Workforce Survey

- A growing fear that the industry doesn't have a sufficient culture of skills development in the area of leadership and management: many managers start out as 'runners' and progress from there without having formal management learning and development. However, there was also a level of distrust of management – many associating it mainly with cost cutting.

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Facilities employers predicted that there would be gaps in a wide variety of skills areas: Sales and marketing (29%), technical skills (28%), leadership and management (25%), multi-skilling (24%), skills in using sector specific software packages (22%) and business skills (21%).[344]

Interactive Media

Overview

The Interactive Media sector covers a range of specialist companies and jobs including the design and development of web sites and web applications, online content, offline multimedia experiences, mobile applications and content, and interactive television. The sector fulfils a key support function in the wider Creative Media Industries as well as other industries. This role clouds measurement of the sector's output and importance - as Skillset note: Interactive Media is becoming more of a discipline than a sector.[345]

About 34,300 people work in the Interactive Media sector.[346] Just over three quarters of all jobs in the sub-sector are in 'online content'. In terms of employment profile, 21% of the sector's workforce are freelancers, with only 6% of the total employed being women and a mere 4% coming from a BAME background. This shrinks to just 1% in other Interactive Media.[347]

Like the Content for Computer Games sector, the Interactive Media sector's workforce is also highly educated - nine in ten (88%) have an undergraduate or

[344] Skillset (2010) Creative Media Employer Survey

[345] www.skillset.org/interactive/industry/

[346] Skillset (2009) Employment Census

[347] Ibid

postgraduate degree or diploma (the highest amongst all Creative Media sectors).[348]

There are an estimated 7,450 Interactive Media businesses in the UK.[349] The vast majority (95%) have less than 50 staff.[350]

Supply

In HE: 3,627 Interactive Media relevant courses[351] exist across the UK and these courses were being studied by 66,473 students[352] in 2008/09. A below average proportion of these learners are female (32%), whilst 22% are BAME and 9% had an identified disability. In 2008/09 23,226 individuals attained an Interactive Media related qualification (consisting of 6,900 postgraduate qualifications, 12,307 first degrees, 972 foundation degrees and 3,038 other undergraduate qualifications).[353]

In FE: we have identified 106 learning aims that are in some way relevant to the Interactive Media sector and these account for 8,336 learners in England in 2008/09. 47% of these learners are female, 24% are BAME and 14% had an identified disability.[354]

In the private sector: Of the 18 providers supplying usable information regarding provision to the Interactive Media sector, the courses most commonly covered were: cross platform storytelling, E commerce models, interactive magazine design and managing multi-platform teams and strategy development (specific

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[348] www.skillset.org/uploads/pdf/asset_13233.pdf?4

[349] Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives.

[350] Skillset (2009) Employment Census.

[351] See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

[352] The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

[353] Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[354] Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

to management and leadership). Specific skills covered commonly included Joomla and other open source tools and Adobe and Apple Products.

Skills Shortages

A fifth (21%) of Interactive Media employers have current vacancies, and of these employers 56% report having hard to fill vacancies and hence skills shortages (higher than the Creative Media employer average of 46%).[355] The occupations in which these skills shortages exist most commonly are Technical Development, and Distribution, Sales and Marketing.

Interactive Media employers also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are sales and marketing (28%), leadership and management (26%), skills in using sector specific software packages (20%) and multi-skilling (20%).[356]

Employers report shortages in entrants with the appropriate combinations of 'hybrid' skills – a mix of specialist skills (e.g. graphic design), and core generic skills (e.g. business/commercial acumen) with cross sector awareness (the ability to provide services to clients from other sectors of the wider economy).[357]

Current Skills Gaps

Three in ten (28%) Interactive Media employers report a skills gap within their current workforce, similar to the UK Creative Media average (27%).[358]

More than half of Interactive Media employers highlighted sales and marketing (55%) as a broad area in which a skills gap exists amongst employees. Technical skills (commonly computer programming - 44%), leadership and management (43%), business skills (32%) and skills in using sector specific software packages (31%) were also highlighted as skills gap areas. Amongst freelancers - technical skills (again commonly computer programming, 40%),

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[355] Skillset (2010) Creative Media Employer Survey

[356] Ibid

[357] www.skillset.org/interactive/industry/article_6921_1.asp

[358] Skillset (2010) Creative Media Employer Survey

skills in using sector specific software packages (30%) and skills to develop content for multiple platforms (mainly the design and development of mobile applications and web sites and web applications, 26%) were the most common skills gap areas cited.[359]

Skills gaps amongst their current workforce were most frequently associated with technical development (42%) and distribution, sales and marketing (25%) roles for employees, and technical development (45%) roles for freelancers.[360]

Half (49%) of Interactive Media employers fund or arrange learning or development for staff, higher than the 45% of employers across the Creative Media Industries.[361] Approaching half (48%) of these employers who also use freelancers extend learning and development opportunities to them.[362]

Approaching a quarter (23%) of Interactive Media employers have a learning and development plan for the year ahead (higher than the 18% of employers across the wider Creative Media Industries).[363]

Around two thirds of the Interactive Media workforce had received some learning or development over a twelve month period between 2007/08.[364] One in ten (11%) of the workforce in the Broadcast, Facilities, Animation, Interactive Media and Content for Computer Games sectors stated a need for learning and development in online, web design, interactive media or electronic games.[365] Data suggest that amongst the web and internet sub-sector the most common areas of learning and development received are online/web design/interactive media/electronic games (29%), specific software applications (19%) and legal (18%). In other sub-sectors as a whole, 25% of those trained in 2007/08 received learning or development in specific software applications.

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[359] Ibid

[360] Ibid

[361] Ibid

[362] Ibid

[363] Ibid

[364] Skillset (2008) Creative Media Workforce Survey

[365] Ibid

Regulatory/compliance training in ethics/safeguarding trust (25%) and health and safety (23%) were also relatively common.[366]

Over half (55%) of the Interactive Media workforce in the UK cited a learning or development need in 2007/08, which was lower than in 2004/05 (70%). The most commonly cited areas of learning and development required were on-line/web design/interactive media/electronic games (27%), specific software applications (22%) and business skills (17%).[367]

The cost of learning and development, and time available seem to be the main barriers to take up.[368]

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly Interactive Media employers predicted that there would be gaps in a wide variety of broad skills areas: Technical skills (mentioned by 34% of employers), sales and marketing (32%), leadership and management (27%), multi-skilling (25%), skills to develop content for multiple platforms (25%) and skills in using sector specific software packages (24%).[369]

Within the broad category of 'technical skills', Interactive Media employers were most likely to specifically mention computer programming (14%). Likewise within 'skills to develop content for multiple platforms' there were a huge variety of specific potential future skills gaps mentioned, the most common relating to the design and development of mobile applications (predicted by 7% of employers).[370]

Despite the recession, medium term forecasts are for an ever increasing demand for online and offline output. This will be driven by, amongst other things, continuing falls in the real price of software, widening access to cheap broadband and 360 degree commissioning models – where content is

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[366] Ibid

[367] Ibid

[368] Ibid

[369] Skillset (2010) Creative Media Employer Survey

[370] Ibid

commissioned for dissemination across more than one platform. In the future it is anticipated that technical software and website design skills and project management skills will be most needed.

Photo Imaging

Overview

The Photo Imaging sector encompasses four main sub-sectors: Photographers; Image Producers and Photo Retailers; Picture Libraries and Agencies and Manufacturing and Support services. Currently 45,000 people are thought to work in the sector across the UK, Photographers comprising the largest sub-sector.[371] Some 67% of the workforce are freelance, 42% female and 5% from a BAME background.[372]

There are an estimated 8,650 Photo Imaging businesses in the UK (comprising 4,950 Photographic Activity businesses and 3,750 other Photo Imaging businesses). The vast majority (91%) have just 1-4 staff.[373]

Copyright

Copyright legislation is frequently misunderstood and abused with severe consequences for photographers' earnings. In general under UK copyright legislation, any freelance photographer is the default copyright owner of any photograph they take. However, many of those who commission photographers assume that they automatically own copyright by the act of commissioning a photographer. Recent evidence produced by the British Photographic Council reports that 59% of photographers are aware of copyright infringement of their work in the last three years at an average market value cost of £3,605 per photographer. Failure of photographers to protect their copyright can have a significant effect on an individuals earning power, meaning that on average they earn a third less than photographers that do protect their copyright. Even so, 70% of photographers did not pursue copyright infringements with the difficulty

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[371] Labour Force Survey July 2009 – June 2010

[372] Ibid

[373] IDBR 2009 – some very small businesses operating without VAT or PAYE schemes (self employed and those with low turnover and without employees) may be missing from this estimate

of the legal process cited as the main reason. This was supported by 82% of photographers who stated that quicker and easier copyright would benefit their business.[374]

Supply

In HE: 1,663 Photo Imaging relevant courses[375] exist across the UK and these courses were being studied by 30,403 students[376] in 2008/09. An above average proportion of these learners are female (54%), whilst 13% are BAME and 13% had an identified disability. In 2008/09 9,001 individuals attained a Photo Imaging related qualification (consisting of 2,491 Postgraduate, 5,451 first degrees, 209 foundation degrees and 848 other undergraduate qualifications).[377]

In FE: we have identified 127 learning aims that are in some way relevant to the Photo Imaging sector and these account for 14,253 learners in England in 2008/09. 56% of these learners are female, 21% are BAME and 14% had an identified disability.[378]

In the private sector: Of the 8 providers supplying usable information regarding provision to the Photo Imaging sector the courses most commonly covered were: digital photo image manipulation, DSLR Camera, and freelancing skills and business skills for photographers (specific to Management and Leadership). Specific skills covered commonly included Adobe and Apple products, archiving and picture libraries, copyrighting and contracting and specialist photography – wedding, products, and studio portraiture.

[374] British Photographic Council (2010), Industry Survey of Photographers

[375] See ‘Defining Courses Relevant to Skillset Key Sectors’ in the Supply Mapping section of Annex A

[376] The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

[377] Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[378] Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

Skills Shortages

Just 6% of Photo Imaging employers have current vacancies, and of these employers, 56% report having hard to fill vacancies and hence skills shortages (higher than the Creative Media employer average of 46%).[379] The occupation in which these skills shortages exist most commonly is Distribution, Sales and Marketing.

Photo Imaging employers also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are sales and marketing (46%), leadership and management (37%), skills in using software packages such as Photoshop, Avid and Final Cut Pro (34%) and multi-skilling (31%).[380]

Current Skills Gaps

A fifth (21%) of Photo Imaging employers report a skills gap within their current workforce, lower than the Creative Media average (27%).[381]

Approaching three quarters of Photo Imaging employers highlighted sales and marketing (72%) as an area in which a skills gap exists amongst employees. Skills in using software packages such as Photoshop, Avid and Final Cut Pro (58%) and technical skills – including computer programming and usage (46%) were also highlighted as skills gap areas. Amongst freelancers the most commonly identified skills gap areas were skills in using software packages such as Photoshop, Avid and Final Cut Pro (60%), technical skills (commonly photographic skills and computer/software usage, 42%) and sales and marketing (41%).

Skills gaps amongst their current workforce were most frequently associated with camera/photography, distribution, sales and marketing and library/archives roles for employees and camera/photography for freelancers.[382]

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[379] Skillset (2010) Creative Media Employer Survey

[380] Ibid

[381] Skillset (2010) Creative Media Employer Survey

[382] Ibid

Three in ten (30%) of Photo Imaging employers fund or arrange learning or development for staff, lower than the 45% of employers across the Creative Media Industries.[383] Three fifths (62%) of these employers who also use freelancers extend learning and development opportunities to them.[384]

Just 12% of Photo Imaging employers have a learning and development plan for the year ahead (lower than the 18% of employers across the wider Creative Media Industries).[385]

Across the industry as a whole, the most significant specialist skills gaps continue to be around the use of digital technology, knowledge of digital workflow and management of digital assets.[386] In meeting these skills gaps the sector is likely to draw heavily upon informal approaches to learning and development - including on the job mentoring and in-house learning and development.[387]

The Skillset (2007) Photo Imaging Workforce Survey did however reveal that 26% of the workforce had received learning and development in the last 12 months in relation to ‘customer service and other retail’ and ‘exhibition, display and large format’. ‘Specialist software’ (23%), ‘business skills’ (21%) and ‘Marketing’ (18%) were also identified.

Future Skills

Skillset’s 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly Photo Imaging employers predicted that there would be gaps in a wide variety of broad skills areas: skills in using software packages such as Photoshop, Avid and Final Cut Pro (36%), sales and marketing (35%), multi-skilling (26%) and technical skills (20%).[388]

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[383] Ibid

[384] Ibid

[385] Ibid

[386] Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest

[387] Ibid

[388] Skillset (2010) Creative Media Employer Survey

Three fifths (57%) of the workforce identified a future learning or development need. Some 25% cited as a reason for learning and development that they wanted to keep up with the field and improve their effectiveness at work. Of those 60% stated a need for 'specialist software learning and development'. The next most frequently identified were 'business skills' (15%) and 'minilab and printing skills' (13%).[389]

Publishing

Overview

The Publishing sector includes Book and Newspaper Publishing, Journals and Periodicals, News Agencies, Publishing of Directories and Mailing Lists, Other Publishing and Other Information Services and Activities. There are over 178,000 people employed throughout publishing of whom 47,000 work in newspaper publishing, 44,000 in journals and periodical publishing, 31,000 in book publishing and 37,000 in other publishing. Some 13% are freelance, 46% female and 5% from a BAME background. Some 5% of those who work in newspaper publishing are freelancers rising to 21% in book publishing.[390]

There are an estimated 11,600 Publishing businesses in the UK. The majority of establishments in the sector are small with 88% having 10 employees or fewer and 97% fewer than 50.[391]

A recent study carried out by NESTA maps the UK's creative clusters and shows that a large number of Publishing firms are based in London, its surroundings, Cambridge, Oxford, Bristol and Bath, Manchester (plus Glasgow and Edinburgh outside of England). On a more local level strong concentrations of 'creative agglomerations' are identified in Oxford, Bath and Minehead. There is further significant specialisation in London, Cambridge, Peterborough, Ludlow and the North of Scotland. [392]

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[389] Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest

[390] Labour Force Survey July 2009 – June 2010

[391] IDBR 2009

[392] Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

Across the UK the Magazine and Newspaper Publishing sub-sectors have undergone major structural changes. This has been driven by both the recession and a longer term movement away from the traditional advertising revenue model to more online content. This process is set to speed up over the next decade and will revolutionise the sub-sector, making it harder to generate revenue from content alone and emphasising the need for a multi-platform and diverse approach to delivery, marketing and promotion.

The result has been fewer titles and jobs – particularly freelance - and the loss of some functions such as sub-editing.[393] The migration to online content is however being hindered by a number of commercial challenges including how to monetize online content, ownership of content issues, and inertia amongst some socio economic groups to access content online.[394] Elsewhere, while book sales have held firm the overall value of sales has fallen. The increasing popularity of tablets (e.g. iPad) and mobile smart phone technology are also anticipated to have a major impact on the industry.

Supply

In HE: 1,922 Publishing-relevant courses[395] exist across the UK and these courses were being studied by 39,743 students[396] in 2008/09. An above average proportion of these learners are female (53%), whilst 13% are BAME and 11% had an identified disability. In 2008/09 12,838 individuals attained a Publishing related qualification (consisting of 2,568 Postgraduate, 8,622 first degrees, 560 foundation degrees and 1,088 other undergraduate qualifications).[397]

In FE: we have identified 238 learning aims that are in some way relevant to the Publishing sector and these account for 127,350 learners in England in 2008/09

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[393] Skillset (2009) From Recession to Recovery: an overview of the Impact of the Recession on the UK's Creative Media Industries and the Path to Recovery. Based on a sample of 262 employers.

[394] Deloitte Media Predictions 2009

[395] See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

[396] The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

[397] Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

(second only to Film in the Creative Media Industries). 60% of these learners are female, 19% are BAME and 19% had an identified disability.[398]

In the private sector: Of the 9 providers supplying usable information regarding provision to the Publishing sector the courses most commonly covered were: layout development, sub-editing, magazine design and news editing, and legal issues and business and finance development (specific to Management and Leadership). Specific skills covered commonly included academic marketing, editorial, Adobe Indesign and Quark Xpress.

Skills Shortages

Just 13% of Publishing employers have current vacancies, and of these employers, 36% report having hard to fill vacancies and hence skills shortages (lower than the Creative Media employer average across England of 46%).[399] The occupations in which these skills shortages exist most commonly are Distribution, Sales and Marketing, Art and Design and Technical Development.

Publishing employers also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are sales and marketing (31%), creative talent (21%), Skills in using sector specific software packages (17%) and multi-skilling (16%).[400]

Other evidence relating to new entrants points to the following shortages:[401]

- Technical skills – in particular the ability to meet industry standards requirements;
- Strategic skills linked to maximising opportunities from the e-publishing business;
- Developing and implementing innovative, creative marketing using new technology;
- Multi-media journalism skills;

[398] Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[399] Skillset (2010) Creative Media Employer Survey

[400] Ibid

[401] Skillset (2009) From Recession to Recovery: an overview of the Impact of the Recession on the UK's Creative Media Industries and the Path to Recovery. Based on a sample of 262 employers.

- Core business skills, including management and leadership, since Publishing sector companies tend to be editorially-driven;
- Understanding the impact of change on intellectual property rights.

Current Skills Gaps

Over a quarter (28%) of Publishing employers report a skills gap within their current workforce, similar to the Creative Media average (27%).[402]

More than half of Publishing employers highlighted sales and marketing (64%) and technical skills (50%) as broad areas in which skills gaps exist amongst employees. Skills in using sector specific software packages (46%), business skills (38%, including 17% specifically mentioning entrepreneurial skills) and leadership and management (36%) were also highlighted as skills gap areas. Within the broad category of 'technical skills' – computer programming, usage and web/internet design/development were the most common specific areas of skills gaps. Amongst freelancers sales and marketing (40%) and technical skills (31%) were again the main skills gaps.

Skills gaps amongst their current workforce were most frequently associated with business management (24%), distribution, sales and marketing (24%), art and design (17%) and production (16%) roles for employees and art and design (31%) and business management (30%) roles for freelancers.[403]

Approaching half (45%) of Publishing employers fund or arrange learning or development for staff, the same as the wider Creative Media Industries (45%).[404] Half (52%) of these employers who also use freelancers extend learning and development opportunities to them.[405]

Just 13% of Publishing employers have a learning and development plan for the year ahead (lower than the wider Creative Media Industries – 18%).[406]

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[402] Skillset (2010) Creative Media Employer Survey

[403] Ibid

[404] Ibid

[405] Ibid

[406] Ibid

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly Publishing employers predicted that there would be gaps in a wide variety of broad skills areas: sales and marketing (37%), skills in using sector specific software packages (32%), technical skills (21%), multi-skilling (21%), business skills (21%) and skills to develop content for multiple platforms (21%).[407]

Advertising

Overview

The Advertising sector consists of advertising agencies and media representation services. There are over 94,500 people employed throughout the sector of whom 72,000 work in advertising agencies and 23,500 in media representation services. Some 20% are freelance, 42% female and 10% from a BAME background. Some 22% of those who work in advertising agencies are freelancers falling to 13% in media representation services.[408]

There are an estimated 13,900 Advertising businesses in the UK. The majority of establishments in the sector are small with 91% having 10 employees or fewer and 98% fewer than 50.[409] A small number of agencies account for a high proportion of total business.[410]

A recent study carried out by NESTA maps the UK's creative clusters and shows that a large number of Advertising firms are based in London and Manchester. On a more local level additional 'creative agglomerations' are identified in the South of London (from St Albans to Tunbridge Wells and Guildford), a south belt around Manchester and Birmingham and its south counties, Warwickshire and Worcestershire. There is also a higher than average agglomeration in Harrogate and Ripon and Blackpool.[411]

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[407] Skillset (2010) Creative Media Employer Survey

[408] Labour Force Survey July 2009 – June 2010

[409] IDBR 2009

[410] IPA member agencies represent 270 of the top agencies, and service over 5000 client companies including the big corporates. 50% of the FTSE 100 use IPA member agencies.

[411] Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

The Advertising industry is new to Skillset's footprint and full engagement with the industry as a whole has not yet been possible. The focus to date has been on the Advertising Agencies as included within the IPA membership. Despite the figures quoted above being for Skillset's footprint as a whole the remainder of this section therefore focuses on Advertising Agencies only.

The workforce as covered by IPA member companies has the following profile: 5% are freelance, 48% female, 8% BAME and 55% aged over 30.[412]

In 2009, Cultural and Creative Skills (with TBR) conducted a survey of over 1,000 employers, which showed that 51% of employers reported at least some of their employees as having received learning and development in the past year. 48% were reported as having received informal learning and development, 42% formal learning and development and 15% external learning and development.[413] Moreover younger entrants to the sector were less careerist than previous generations, and were very keen to ensure good work/life integration.

Supply

In HE: 2,867 Advertising-relevant courses[414] exist across the UK and these courses were being studied by 51,252 students[415] in 2008/09. An above average proportion of these learners are female (57%), whilst 15% are BAME and 11% had an identified disability. In 2008/09 16,578 individuals attained an Advertising related qualification (consisting of 2,827 Postgraduate, 11,966 first degrees, 425 foundation degrees and 1,357 other undergraduate qualifications).[416]

In FE: we have identified 143 learning aims that are in some way relevant to the Advertising sector, which account for 101,912 learners in England in 2008/09.

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[412] IPA 2009 Census

[413] CCS/TBR Workforce Survey, 2009

[414] See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

[415] The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

[416] Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

66% of these learners are female, 18% are BAME and 19% had an identified disability.[417]

There is widespread dissatisfaction among employers with many creative courses as too many such courses are too execution focused and do not pay enough attention to upstream creative thinking. In addition marketing courses that have an advertising component too often miss out the problem solving skills and aptitudes required. It is indeed rare that recruitment to client service positions within IPA represented agencies, for example, come from marketing courses. Just over 100 creative courses are linked to industry through D&AD.

Skills Shortages

The CCS/TBR survey showed:

- Graphic design occupations to be the most common area in which recruitment difficulties were reported by employers, cited by 46%. The next most common problem area was retail/sales reported by 15% and ICT (13%).
- The skill areas most often found lacking in new entrants were design (cited by 41%), and ICT skills (20%).[418]

Skillset undertook a consultation exercise with industry representatives in October 2010 and skills shortage areas highlighted were:[419]

- Digital creatives;
- Upstream creatives – big ideas people not just execution experts;
- Business analysts;
- Behavioural scientists;
- Diagonal thinkers – i.e. those people who can shift seamlessly between linear and lateral thinking, making them at once commercial as well as creative;
- Illustrators;

[417] Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

[418] CCS/TBR Workforce Survey, 2009

[419] Skillset's employer and stakeholder qualitative framework 2010

- Multi-skilled creatives i.e. an ability to work on online and offline briefs;
- Social media specialists;
- Top quality intellects.

And from a digital perspective:[420]

- Digital strategists / Digital planners;
- Information Architects;
- Competent Digital Producers that have real knowledge of production, rather than just making sure deadlines are met;
- Capable Creative Technologists - someone with vast technical knowledge, but that can apply that to ideas and work in a creative function.

Skill Gaps

46% of advertising companies report skills gaps among their current workforce. The skill areas most often cited are ICT (28%), business development (24%), digital (13%) and finance/accounting (13%).[421]

26% of companies report losing business due to skills gaps in their workforce.[422]

10% of companies said their employees had a specific entitlement to training and 8% that they had a training budget.[423]

Skillset's consultation exercise with industry representatives in October 2010 suggested skills gaps specific to:[424]

- Multi-platform all–rounders (including IT support staff working between platforms);
- Management and leadership;
- Commercial/Business skills;
- Sales skills.

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420 Ibid

421 CCS/TBR Workforce Survey, 2009

422 Ibid

423 Ibid

424 Skillset's employer and stakeholder qualitative framework 2010

And from a digital perspective:[425]

- Digital Strategy/Planning;
- Creative Technology;
- Creatives that understand digital.

Future skills

In 2006, The Future Foundation identified twelve key drivers expected to impact most significantly over the next ten years to 2016.[426] These can be grouped into three main areas as follows:

- **Technological** – ever-increasing bandwidth and developments in mobile/wireless telephony e.g. the launch of mobile 4G planned for 2012 present both opportunities for creative execution and challenges in terms of evolving demand. Increasing navigation choice and complexity for consumers and particularly development of tools to help consumers break through clutter will offer new business opportunities for advertising and agencies.

- **Social** – the 24 hour society sets a new framework for rethinking roles for advertising. New media and channels have shifted the possibility of communication and purchase to any time of the day or night. An increasingly networked society means that a greater number of links are possible between a given consumer or company, and other consumers or companies, for less effort. Consumer demand for novelty in products and experiences places an onus on manufacturers and service providers to innovate more quickly and in a more targeted way. In a prolific multi-media world, entertainment is increasingly seen to be the key to breaking through the clutter, and the best way to 'engage' the more flighty and technology-savvy consumer of the future. Media owners, advertisers and agencies, will

[425] Ibid

[426] 'The Future of Advertising and Agencies: A 10-Year Perspective', Future Foundation and Institute of Practitioners in Advertising, 2006

be increasingly challenged to engage on a human level, in order to capture and audience.

- **Economic and political** – at the time of the Future Foundation report, most indicators pointed towards long term economic prosperity. However, the recession has obviously affected economic growth which in turn has adversely affected commercial advertising expenditure. This pattern is obviously expected. The ageing population is going to mean advertisers are going to have to get better at reaching older segments of the population. Legislative creep (and increasing regulation) e.g. on advertising of tobacco, alcohol, and certain types of food or drink mean advertisers will have to get better at developing more responsible campaigns identifying consumer risks as well as consumer opportunities. 'Global mobility growth' means the old 'one message, one state' model no longer applies. Finally, the economic growth of India and China is highlighted as a factor in terms of both competition and evolving markets.

4. Anticipating What Lies Ahead

4.1 Growth Continues as Does Freelance Fragility

Recent forecasts by PwC suggested that the UK entertainment and media market would grow by 3.7% per annum on average for the 4 years to 2014.[427] This compares to whole economy growth over this period of just over 2%.[428] Given the reported business optimism from Skillset's October 2010 qualitative research phase these assumptions look realistic.[429] Global growth in the E&M market is expected to reach 5% year-on-year and total $1.7 trillion by 2014.[430]

Increasingly the Creative Media market is a global market. Content for Computer Games, Advertising, Film, Television (especially the UK's excellent record in exporting TV formats), Animation and Publishing are all globally integrated sectors.

Many analysts predict that traditional incumbent companies will remain dominant, sometimes through acquiring companies with a strong digital presence.[431] The opportunities presented by developing technology may be beyond the scope of almost all single companies, even large established multinationals or conglomerates. Alliances and partnerships will therefore be formed for opportunities to be realised, commonly with Technology companies, and sometimes with companies that will be competitors in other markets.

4.2 A Square Peg in a Round Hole? – Creative Media and the Current VET System

If the Creative Media sector is going to maximise its future opportunities national vocational educational training (VET) policy urgently needs to better address the powerful singularity of the sector.

This is not a sector dominated by mature, large employers that can offer secure organisational labour markets replete with a full suite of in-work and off-site

[427] Towards 2014, the search for value in the digital supply chain PwC 2010

[428] http://budgetresponsibility.independent.gov.uk/d/pre_budget_forecast_140610.pdf

[429] Skillset's employer and stakeholder qualitative framework 2010

[430] Towards 2014, the search for value in the digital supply chain PwC 2010

[431] Skillset Strategic Plan 2008-2011

provision. The strength of the sector is its diverse provision of atypical employment characterised by a strong, and in some sub-sectors such as Film Production, primary external labour market (ELM).

But this strength in labour supply terms – a highly qualified, highly entrepreneurial and adaptive talent pool – means the sector is leaning into a head wind in terms of VET and broader public policy.

For example, the absence of many large firm employers, and the large number of small firms and freelancers in particular[432], makes it a difficult sector to influence through public policy. Employers with larger number of employees generally have greater requirements placed on them than smaller ones, and equal opportunities and other legislation applies more comprehensively. More specifically, when recruitment and promotion criteria are as informal as they are in the cultural sectors, it's sometimes difficult for public policy to gain any firm purchase on labour force development issues.[433]

Future progress will require a wider acceptance that a sector dominated in large part by external labour markets needs a far more flexible skills system. The current VET system is therefore not serving this sector well.

4.3 A Necessary Broadening and Deepening of the Skills Base

Across all Creative Media Industries, there is recognition of the dramatic changes brought about by the digital environment and the need to up skill to make the most of it. The following are of particular importance:[434]

- Multi-skilling: an understanding of different technology platforms and their impact on content development and digital work flow, and new approaches

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[432] Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey 2008, LFS July 2009 – June 2010.

[433] See K. Oakley (2009) *'Art Works' – cultural labour markets: a literature review'* Creativity, Culture and Education Series

[434] Skillset (2010) Creative Media Employer Survey; Skillset (2008) Creative Media Workforce Survey; Skillset/UK Film Council (2009) Feature Film Production Workforce Survey; Evidence from Focus Groups carried out with industry representatives in October 2010.

to working in cross-functional creative / technical teams within and across companies.

- Multiplatform skills: the creative and technical skills to produce content for distribution across all potential platforms, and the ability to understand and exploit technological advances.
- Management, leadership, business and entrepreneurial skills: especially project management for multiplatform development; the hybrid skills combining effective leadership with innovation, creativity and understanding of technology, and the analytical skills to understand audience interests and translate it into business intelligence.
- IP and monetisation of multiplatform content: understanding of intellectual property legislation to protect from piracy, and exploiting intellectual property internationally to take full advantage of emerging markets - with particular focus on the ability to deal with the problem of illegal downloading and copyright infringement.
- Broadcast engineering: continuing to be an area of skills shortage.
- Archiving[435]: archiving of digital content being an area which is attracting increased attention as a challenging issue for the future.
- Sales and marketing: being particularly important in Commercial Radio and an emerging need in other sectors.
- Diagonal thinking: the ability to tell great stories, then know how to monetise those stories to the best effect utilising media that cross platforms and territories well.

The breadth and depth of these up-skilling requirements underline the scale of ongoing transformation the sector needs to affect in its skills base.

The increasing need for these and other skills is highlighted by the latest evidence from Skillset's 2010 Creative Media Employer Survey in which employers were

[435] Archiving falls within the broader category of 'Asset Management' and also includes indexing and tasks relating to the management/storage/retrieval of multi-media or digital assets.

asked to think three to five years into the future and predict skills for which there will be a particular demand that will be difficult to meet (see Table 21). The skills identified by employers were consistent with those also identified as current skills gaps amongst the workforce. Just over a third of employers identified sales and marketing skills as a future skills gap area (34%), followed by skills in using software packages such as Photoshop, Avid and Final Cut Pro (29%) and technical skills (25%).[436] Within the broad area of 'technical skills' the specific future skills gap predicted most frequently was computer programming (mentioned by 7% of employers).

Table 21: Future skills gaps and the sub-sector in which most employers predicted there will be a difficulty in meeting demand

Future skills gap	Sector in which it will be most difficult to meet demand of the skills gap	% of employers identifying skills gap
Skills to develop content for multiple platforms	Film Distribution & Cinema Exhibition	38%
Leadership and Management skills	TV Broadcasting	42%
Sales and Marketing skills	Community/Voluntary Radio	50%
Business skills	Animation	29%
Finance skills	Film Distribution & Cinema Exhibition	34%
Technical skills	Corporate Production	25%
Set or Crafts skills	Other Services for Film & TV	22%
Production skills	Community/Voluntary Radio	25%
Creative talent	TV Broadcast	30%
Skills in using software packages	Photography	41%
Multi-skilling	TV Broadcast	31%

Source: Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

In order to support growth and to plan for future labour demand, it will be of critical importance to continue to identify the potential future drivers of change within the industry, the resulting impact on demand for skills, and the gaps and shortages that will need to be addressed.

[436] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

5. The Geography of the Creative Media Industries

Sector Employment across the UK

Each nation produces its own Strategic Skills Assessment so the detailed analysis of differences by nation can be interrogated fully through these documents. What follows is a highlighting of the major differences by region in the ecology and shape of the Creative Media sector. What should be stressed is that skills needs do not vary greatly by nation and region but sectoral densities vary greatly as can be seen from Tables 22 and 23.

Table 22: Number of Companies by Sector and Nation/Region[437]

	Wales	Scotland	Northern Ireland	England	London	Rest of England
Television	50	100	50	1000	350	650
Radio	50	100	*	650	150	550
Facilities	100	200	100	2,700	550	2,150
Film[438]	*	*	*	300	250	50
Animation	*	50	*	500	250	250
Other Content Creation	*	50	*	450	250	200
Interactive Media	300	500	150	5,950	1200	4750
Content for Computer Games	*	*	*	200	50	150
Publishing	300	600	150	10,550	2,750	6,100
Photo Imaging	200	500	100	7,900	3,100	4,800
Advertising	*	550	200	13,000	3,950	9,000
Total	**1,300**	**2,600**	**700**	**43,150**	**12,850**	**28,600**

437 Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives. There are some companies within the database for which no postal address is held and hence are not included in this breakdown. NESTA (Content for Computer Games) and IDBR 2009 (Photo Imaging, Publishing and Advertising).

Note: figures for Content for Computer Games are likely to change in light of work currently being conducted by NES TA and due for release in January 2011. * = less than 50

438 Excludes Cinema Exhibition

In England the bigger sectors in terms of workforce size also dominate in terms of company numbers, Advertising (12,950) and Publishing (8,850) being the highest.

Sectors synonymous with smaller company sizes such as Photo Imaging (7,900) and Interactive Media (5,950) are unsurprisingly also high. In Wales both Interactive Media and Advertising companies are most common (300 each), with Publishing following closely behind. In Scotland, Advertising (550) is most prevalent, followed by Interactive Media, Publishing and Photo Imaging (all 500). Advertising (200) also dominates in Northern Ireland with Interactive Media and Publishing (both 150) being the next highest.

Table 23: Geographic Employment Variations by Sector

	Wales	Scotland	N. Ireland	London	South East	South West	West Mids	East Mids	Yorks & Humber	The East	North West	North East
Television	3,500	1,950	1,650	31,200	1,200	1,750	1,000	1,400	1,150	700	4,250	350
Radio	750	1,650	2,050	6,650	1,050	350	750	450	1,200	1,550	3,950	450
Facilities	700	1,000	350	23,900	4,750	4,750	3,000	4,100	6,250	4,350	15,750	1,450
Film	1,000	2,450	400	7,550	2,000	700	100	100	100	150	350	50
Animation	400	500	50	850	1,650	200	*	*	50	*	600	0
Other Content Creation	0	150	350	3,700	550	1,000	850	200	300	400	250	300
Interactive Media	3,850	1,050	1,850	6,800	5,000	4,250	1,000	900	6,400	500	1,650	200
Content for Computer Games[439]	50	500	*	1,350	250	50	400	600	200	1,300	2,150	200
Publishing	3,300	11,500	1,200	63,900	22,700	17,900	8,100	7,600	7,800	19,100	11,000	4,200
Photo Imaging	1,800	1,900	N/A	12,900	7,500	3,300	4,200	2,600	N/A	4,300	4,100	1,300
Advertising	2,800	2,000	1,600	32,500	12,700	7,100	4,200	5,400	4,700	7,700	12,100	1,200
Archives & Libraries	*	*	*	150	50	50	50	*	0	50	50	0

Sources: Skillset (2009) Employment Census (all creative sub-sectors excluding Film Production, Photo Imaging, Publishing and Advertising), Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Labour Force Survey July 2009 – June 2010

[439] Based on Skillset 2010 Company Database which provides geographical information regarding 221 Content Computer Games companies within the population as identified by NESTA (485).

* = less than 50, N/A = unable to present data due to low sample size in Labour Force Survey

London dominates every sector except animation where the South East has the dominant population and Content for Computer Games where the East of England region has similar densities as London due to the cluster of games developers around Cambridge. Yorkshire and Humber has the second highest number of Interactive Media workers after London. Publishing has a very strong presence in the South East and East of England, while Scotland's dominant sector is Publishing and Wales' is Interactive Media and Television. Northern Ireland also enjoys a strong presence in Interactive Media and Television compared to other sectors yet has negligible numbers of Content for Computer Games workers. There are few animators in the English regions of the West and East Midlands and the East of England and Animation has a very modest presence in Northern Ireland and Yorkshire and Humber. Television and Film have their lowest presence in the North East of England whereas for Radio it is the South West.

The profile of the workforce in each nation or region tends to reflect the profile of the dominant sectors there rather than the profile of the working population in the area. The workforce in London contains higher numbers but a lower proportion of BAMEs compared to the whole population, and many BAMEs work in lower level, generic roles – a cause for concern.[440]

Table 24: Top sub-sectors by percentage of Creative Media employed

Nation/London:	% of total
WALES – Interactive Media	22%
SCOTLAND – Publishing	50%
NORTHERN IRELAND – Radio	21%
ENGLAND (including London) – Publishing	34%
All London – Publishing	33%

Source: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Labour Force Survey July 2009 – June 2010. Cinema Exhibition excluded.

Publishing dominates the largest nation in the UK, England, with some 34% of total employment, 33% in London. It also dominates in Scotland at 50% of the total Creative Media workforce. Whereas in Wales it is Interactive Media (22%) and in Northern Ireland it is Radio (21%).

[440] Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Labour Force Survey July 2009 – June 2010. Cinema Exhibition excluded.

The Creative Media sector is largely a London and South East of England focused sector as Table 25 below shows. Half of all employment is to be found in these two regions. If the South West is added to the total then the South has 58% of the total in employment. Indeed outside England the nations have only 11% of total employment – 4% in Wales, 5% in Scotland and 2% in Northern Ireland. Given the size of the populations in Scotland and Wales, and the growing need for private sector knowledge economy jobs in these countries, there would be seem to be considerable potential for growth in the Creative Media sector given the right policy and market environments. Of the other English regions the North West has the highest proportion (which would include the BBC's move of staff to Salford) at 9% of the total.[441]

Table 25: Work base of Creative Media Workforce

Nation/English region	% of UK total
WALES	4%
SCOTLAND	5%
NORTHERN IRELAND	2%
ENGLAND (including London)	90%
All London	38%
South East of England (excluding London)	12%
South West of England	8%
West Midlands	5%
East Midlands	4%
North East of England	2%
Yorkshire & the Humber	5%
East of England	8%
North West of England	9%

Source: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey 2008, LFS July 2009 – June 2010. Cinema Exhibition excluded.

Creative Media, like other sectors such as Finance and some types of high tech manufacturing, enjoy the benefits of clustering. There is a rich literature on why clustering occurs and why it is beneficial to businesses. Suffice to say clustering is usually endogenous and occurs due to the congruence of a number of different factors including natural resources (the light to be found in California for example that helped establish Hollywood as a centre of film-making); links to customer base;

[441] Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS July 2009 – June 2010. Cinema Exhibition excluded.

concentration of talent and proximity to research establishments; good transport by air, road and rail; ease of face-to-face contact and strong network externalities. The fact that clusters tend to be endogenous constructs creates a problem for policy-makers wishing to stimulate industrial growth in particular parts of the country. Indeed Creative Media is very much part of the new North-South divide of the knowledge economy whereby north of the Watford Gap there really is no private sector knowledge economy to speak of.[442]

There are however considerable differences between sub-sectors in geographical distribution: for example, because of the prominence of regional and local radio within both the BBC and the commercial sector, and the growth of Community Radio, Radio is distributed more evenly throughout the UK than many sectors.[443] Conversely, sectors such as Independent Production for Television, Film Production, Commercials and Corporate Production all remain very London-centric.[444]

A recent study carried out by NESTA maps the UK's creative clusters and shows that London is the heart of the Creative Industries in Britain, dominating in almost all creative sectors, and particularly in the most intrinsically creative layers of the value chain for each sector. The high level of geographical detail used in the mapping allowed nine other creative hotspots across Britain to be pin-pointed. They are Bath, Brighton, Bristol, Cambridge, Guildford, Edinburgh, Manchester, Oxford and Wycombe-Slough.[445]

The following map illustrates the distribution of Creative Media companies contained in Skillset's 2010 Company Database[446] by post code district. This map clearly acknowledges the dominance of London as well as the hotspots identified in the study carried out by NESTA. Clusters in Birmingham, Newcastle and Glasgow are also highlighted.

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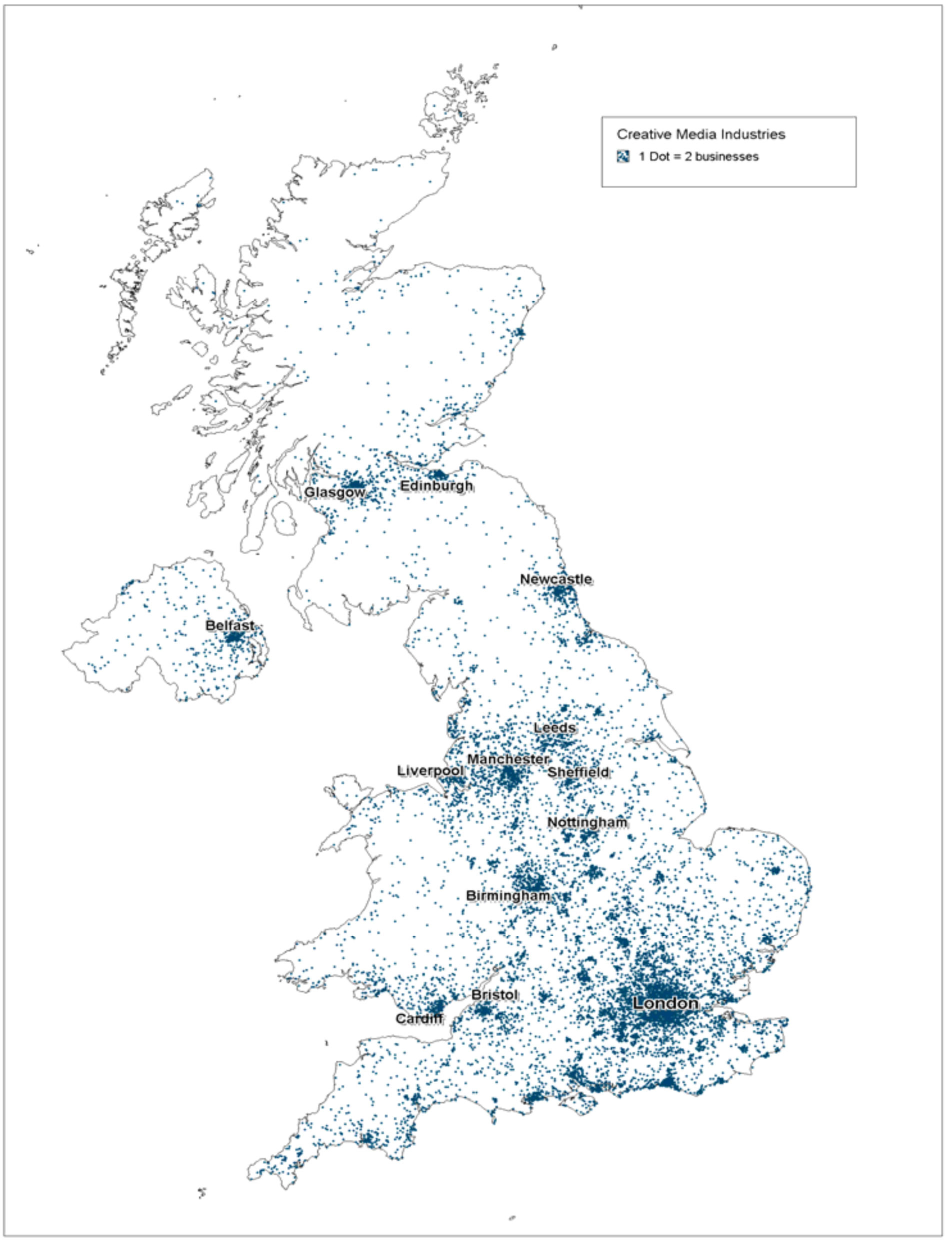
[442] Clayton, N (2008) *Enterprise Priorities to Enterprise Powerhouses: The Public Sector in the Knowledge Economy* The Work Foundation, London

[443] Skillset (2009) Current and Future Skill Needs in the UK Television and Radio Industry

[444] Skillset (2009) Employment Census

[445] Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

[446] Excluding Advertising and Cinema Exhibition. Database created from a variety of sources including previous research participants, Trade Association membership lists, Industry Directories and Experian.



In recent years, there have been some major endeavours and interventions to redistribute some sectors more evenly throughout the UK. This is illustrated most clearly in the relocation of large segments of the BBC's workforce, mainly from London, to Salford Quays in the North West of England and a corresponding decrease in West London from 16% to 13%, which is reflected in Skillset's 2009 Employment Census. However laudable these efforts may be by a national public sector broadcaster to distribute more evenly its resources away from London, it is perhaps preferable to focus on how existing concentrations of talent, facilities and invested expertise are better supported.

Table 26 illustrates the geographic distribution of employment by gender and ethnic minority background. The proportion of women to men never exceeds the 38% found in London and England and this dips to a mere 22% in Northern Ireland. Outside London and the South East, BAME representation stands at 2% in Wales and Scotland which corresponds to the proportion of BAME people in the population as a whole but London's figure of 11% is some 13% below the proportion of BAME people in the population as a whole.[447] Given the concentration of the sector's workforce in London this is a cause for concern.

Table 26: Women and BAME as a percentage of the creative workforce

Nation/London: Women	**% of UK total**
Wales	29%
Scotland	33%
Northern Ireland	26%
England	39%
All London	38%
Nation/London: BAME	
Wales	2%
Scotland	2%
Northern Ireland	1%
England	7%
All London	11%

Sources (England): Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS July 2009 – June 2010. Cinema Exhibition excluded.

Sources (Wales, Scotland, NI, London): Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Cinema Exhibition excluded.

Skills delivery and development does not necessarily have to happen in each and every region or locality. What is more important is how skills strategy interfaces with regional strategies for growth. In a sector as project based as Creative Media the skills required attach to each project rather than to a particular locality per se (although some sub-sectors are indeed heavily clustered in particular geographic locations). This can be seen by the differences in where people live and work. Some 7% more people work in London than live there whereas some 9% more people live in the South East than work there.[448]

[447] Skillset 2009 Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest and LFS July 2009 – June 2010. Cinema Exhibition excluded.

[448] Ibid

On the supply side too there is significant regional variation. Skillset relevant courses are overrepresented amongst student numbers in England and underrepresented in Scotland, whilst levels in Northern Ireland and Wales are in line with general patterns amongst UK HE student numbers. In England, Skillset relevant courses account for 87 per cent of all UK students studying these course types compared with 83 per cent of non-Skillset relevant courses, whilst Scotland accounts for seven per cent of all UK Skillset relevant students compared with 10 per cent of all non-Skillset relevant course students.

Skillset relevant students are concentrated in institutions in London and the South East with these regions accounting for 43 per cent of all Skillset relevant students on courses in England in 2008/09. The Eastern and North East regions have lower than average proportions of Skillset relevant students at six and five per cent respectively. London institutions are a significant 'hub' of postgraduate study for Skillset relevant students with the region accounting for 27.7 per cent of all Skillset relevant postgraduate students.[449]

Finally, learning and development varies from region to region but not by much. Northern Ireland had the highest number of people who received no learning and development at 55% with Wales and Scotland the lowest at 43%. Yet Northern Ireland also had the highest number of people receiving between 6 and 20 days learning and development at 19% compared with London's 13%. Wales had the highest percentage receiving more than 21 days learning and development at 7% and London the lowest at 5%.[450]

On an employer level, approaching half (45%) of Creative Media employers fund or arrange learning or development for staff. This varies from 51% of employers based in Wales and 45% of those in England, to 41% of employers in Northern Ireland and 39% of those in Scotland.[451] Again, sector densities are key here.

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[449] Figures from Individual Learner Record (ILR) 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. NB These figures include Fashion & Textiles which is not in the scope of this SSA. Further information regarding this study can be found in the methodology section.

[450] Skillset (2008) Creative Media Workforce Survey. Excludes Publishing, Photo Imaging, Film Production and Advertising.

[451] Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

Annex A Methodology Section

- **Skillset's 2010 Creative Media Employer Survey** was conducted via telephone interviews between June – August 2010 by the research agency IFF. A sample of Creative Media employers was compiled from Skillset's 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). A total of 2,634 interviews were completed. The data was weighted to known distributions of companies by sub-sector, size and region/nation to ensure representative of all Creative Media companies.

  The sectors covered by the survey included Television, Radio, Animation, Film, Facilities, Interactive Media, Content for Computer Games, Corporate Production, Commercials and Pop Promos, Publishing and Photo Imaging.

  The full 2010 Creative Media Employer Survey report will be available in early 2011.

- **Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and Development Provision in FE, HE, and the Private Sector in the UK**

  This work was undertaken during 2010 by Research-as-Evidence, with on-going support and input from the Skillset research team and sector managers.

  The work aimed to fill an existing gap in supply-side knowledge to identify the specific nature of the supply side from FE, HE, and private sector training markets to the Creative Media Industries.

  This is the first time that Skillset have sought to define FE and HE provision in terms of relevance to its range of industry sector responsibilities. This is also the first time that datasets from the Higher Education Statistics Agency (HESA) and the Individualised Learner Record (ILR)[452] have been used in this way - and the first detailed analysis of the outcomes from HE/FE provision that Skillset directly influences (through course accreditation and/or the Film/Media Academy network).

  The research has produced a range of data on student demographics/ profiles, attainment and funding in FE and HE across the UK and additional data in relation to the most prominent commercial training providers serving Skillset sectors. The findings also include extensive analysis of data relating to early graduate destinations 6 months after students have completed their study, providing an important 'snapshot' of early

[452] See www.theia.org.uk/ilr for more details.

career destinations of those who have undertaken HE courses relevant to employment in Skillset industry sectors.

- **Defining Courses Relevant to Skillset Key Sectors**
  The numbers of students and courses recorded for each key sector (Advertising, Animation, Computer Games, Facilities, Fashion and Textiles, Film, Interactive Media, Photo imaging, Publishing, Radio, TV) has been defined in a new and innovative way. This means that courses in FE and HE have been defined in terms that assesses the <u>relevance</u> of each course to specific key sectors and the overall responsibilities of Skillset for the creative media and fashion and textiles industries.

  Consequently, whilst the category Film will include Film Production, Direction or Scriptwriting courses it will also include those courses that include content directly relevant to the activities and occupations working in that sector like costume and set design, or computer animation for CGI. This avoids just identifying courses in broad categories such as Creative Arts and Design and Mass Communications and Documentation as had been done before which often meant including some non-relevant courses, but also missing out some relevant courses in other broad subject categories.

  This does mean some courses will feature in multiple sectors because they may be relevant to a number of key sectors. For instance - Film and TV, and Computer Games and Animation. However, in the broad categories of Skillset relevant and non-Skillset relevant courses only feature in one of these two categories.

  Student and course numbers identified in the report show the numbers recorded against these categories when the individual course definitions are combined for Skillset relevant and key sector courses. The student count is the number who are studying that combination of courses whether in the first, middle, or final years of study.

- **Employer and stakeholder qualitative framework 2010** – consists of a series of consultations and focus groups to contextualise quantitative data and begin to develop recommendations and solutions. In October 2010 three focus groups were held in Scotland, Wales and Northern Ireland with a representative group of industry employers and stakeholders from each nation. Telephone interviews were carried out to fill any gaps that remained after the focus groups. A further consultation was held with Skillset Directors, with additional input from Sector leads within the organisation where required. An email questionnaire was distributed to Advertising industry representatives via the

IPA Professional Development Group and also to other contacts in the industry (including Digital Agency representatives).

- **Skillset's Employment Census 2009** is a biennial survey to measure the size and shape of the Creative Media Industries (excluding Film Production freelancers, Photo Imaging, Publishing and Advertising). Census forms were distributed to companies throughout June for completion on 1 July. A central database of around 26,000 companies was set up at Skillset using a number of available sources including trade association membership lists, screen agency records and other databases. In addition, the Census was publicised in trade journals and national press in order to reach companies outside the membership of industry organisations. Each company was given three weeks to complete and return the questionnaire. Companies that had not responded by Monday 27 July were contacted by a range of media including letters, emails and telephone call (depending on sector and availability of contact information), with a final completion date of 31 July 2009. The 2009 Census achieved a response from 1,010 companies. The estimated percentage coverage of each sector has been used to generate estimates of the workforce in each sector and in the industry as a whole, from the responses received, through the calculation of weighting factors. These take into account all available information about the representation of the response for each sector in terms of numbers and size of companies.

- **From Recession to Recovery 2009** aimed to obtain a picture of the impact of the recession of 2009 on the Creative Media sector, and in particular its implications for the use of skills in the industry. All sectors were covered (with the exception of Advertising which was not part of Skillset's footprint at the time). The research comprised two separate strands: a survey of employers and a survey of trade associations. The fieldwork was conducted during summer 2009 (May – August), by way of an online survey which respondents were invited to complete by email or via Skillset's website. In the interests of expediency, employers with whom Skillset had had previous contact and thus were potentially involved in the skills agenda were primarily targeted, which should be taken into consideration when scrutinising the results. The survey was supplemented by a shorter, largely open ended survey of trade associations covering similar issues. Overall, the survey achieved a response from 262 companies. It is not possible to estimate the number of companies targeted or a final response rate due to the methods used to distribute the survey. The response by sector broadly reflects the respective levels of employment across the industry. Taking that into consideration, and given the relatively low numbers involved, data was not weighted to adjust for variations in levels of response and representativeness across sectors.

- **Film Sector Employers: Skills and Training Needs in Production, Distribution & Exhibition 2009** was undertaken up to inform the ongoing development of the Film Skills Strategy and the second phase of *A Bigger Future*, which will run from 2010-2013. Participating employers were selected from a broad range of companies varying by size (number of people employed), location in the UK, interest in mainstream and specialised films, and in production by experience of working at a range of budget levels (from below £500,000 to £5 million+). The fieldwork involved three elements:

  Two focus groups, each lasting two hours, were held with producers, line producers and production managers in January and February 2009.

  Face-to-face or telephone interviews lasting up to an hour were held with senior company executives within distribution and exhibition throughout the period from January to March 2009. Five interviews were held in total within distribution and a total of six interviews were held within exhibition, involving.

  Face-to-face interviews lasting up to an hour were held in March and April 2009 with three senior production and development executives from two national film funding organisations.

- **A Skills Review for the TV & Radio Sector, 2009 -** in October 2008 Ofcom, Skillset and the Broadcast Training & Skills Regulator (BTSR) agreed to conduct a short 'Skills Review' of the TV and radio broadcasting industry. As organisations responsible, in different ways, for supporting, regulating and monitoring the broadcasting sectors it was recognised that major technological, structural and economic changes were at play and that it would be helpful to all three organisations to analyse the impact of these changes on people and skills.
  The terms of reference established that the TV and Radio Skills Review would be a 'temperature check' on the skills health of the sectors, capturing and summarising as much data and evidence as possible in order to inform the work and actions of the industry itself, the Sector Skills Council and the regulator.

  To support the deliberations of the Review Group, existing research was to be used as the main source of data and evidence. Skillset's Census, Workforce Survey and Employers surveys, BTSR's evaluation data and the wider research carried out by organisations such as NESTA and Spectrum would be used to support the analysis. In order to contextualise this data and ensure currency, the Review Group invited a small number of Expert Witnesses (both employers and training providers) to provide a rich source of information about employment practice, recruitment issues and skill needs. The Review Group is indebted to the Expert Witnesses for the time they gave and the insight provided.

- **Skillset's Creative Media Workforce Survey 2008** is a biennial survey of the Creative Media workforce and provides the most comprehensive profile of working life in the UK's creative sectors ever produced (excluding Film Production freelancers, Photo Imaging, Publishing and Advertising)[453]. It includes questions on working patterns; training needs and experiences; qualifications; and demographics. In order to provide the perspective and capture the experience of both individuals working at the time of the survey and those available to the workforce but not actually employed at the time of the survey, a self-completion questionnaire was distributed by post or by email to employees and freelancers via two main routes during May 2008. A boost set of questionnaires were sent out to the Commercial Radio sector in October 2008. The first route consisted of the distribution of around 28,500 questionnaires via and with the support of, Trade Associations, Membership Organisations and Unions. Second, over 8,000 paper questionnaires were distributed via approximately 700 industry employers in order to ensure adequate representation from individuals working at the time of the survey. Skillset's Employer Database was used to target companies and the information from Skillset's Employment Census 2006 on numbers of employees and freelancers in each company was used to calculate the number of questionnaires with which to target each company. Employers were asked to distribute the questionnaires internally to their workforce. Approximately 1,000 industry employers received an email direct from Skillset requesting their assistance in terms of circulating a link to the online survey to their workforce. A total of 4,970 completed valid questionnaires were received. To account for non-response and in order to achieve total figures representative of the Creative Media Industries in scope, weightings have been applied to each sector, based on information from Skillset's 2006 Employment Census.

[453] Skillset's Creative Media Workforce Survey 2010 will be published in early 2011 and includes all Creative Media sectors with the exception of Advertising (which was not part of Skillset's footprint when planning for this survey commenced).

- **Skillset/UK Film Council, Feature Film Production Workforce Survey 2008** is a biennial survey conducted as part of a cycle of film production surveys on order to obtain a reliable picture of working patterns, current and future skills development needs, existing provision, and barriers experienced to receiving training and development from film sectors not covered elsewhere by research.[454] The survey covered all individuals working on feature film productions that met the following eligibility criteria:

  - shooting took place within calendar year 2006;
  - the production was 80 minutes or longer in duration;
  - it had a minimum budget of £500,000;
  - it involved UK crew;
  - it was intended for theatrical release.

  There were 102 feature film productions eligible for the survey according to these criteria. Of these a total of 54 productions facilitated the involvement of their crew in the survey, 37 either refused to support the study or it was not possible to establish contact with the production office and a further ten involved few UK based crew.

  Over 6,600 names were gradually compiled from the crew lists for these productions. Duplicate names of individuals appearing on more than one production list were removed, resulting in a list of around 5,500 individual UK crew members.

  Production companies and producers distributed questionnaires to their crew and as a result it is not possible to know for certain how many were sent out, which means an accurate response rate cannot be calculated. However, a total of 1,158 respondents took part in the survey, equivalent to a response rate of 21% if every person on the de-duplicated crew lists received a questionnaire.

- **Skillset's Photo Imaging Workforce Survey 2007** was conducted via postal and online self-completion questionnaires between March – June 2007. The primary sample frame used was Experian's UK company database. This was supplemented by promotion of the survey via key trade associations and encouragement of their members to participate. A multi-stage sample design was created whereby questionnaires were sent directly to individual photographers and to individuals working

[454] Skillset/UKFC Feature Film Production Workforce Survey 2010 will be published in early 2011.

in all other photo imaging sectors via companies listed in the sample frame. A total of 1,041 completed questionnaires were received.

The survey covered all sectors of the Photo Imaging Industry including photographers, photography companies, photographic equipment and manufacture support services, picture libraries and agencies, picture laboratories, photo imaging specific retail companies and design studio hire/image producers.

This data will be updated by the 2010 Creative Media Workforce Survey due for release in early 2011.

- **Skillset's Employment Census 2006** – the last Census conducted prior to 2009, was conducted to measure the size and shape of the Creative Media Industries (excluding Film Production freelancers, Photo Imaging, Publishing and Advertising). Census forms were distributed to companies throughout June for completion on 12 July 2006. A central database of around 13,000 companies was set up at Skillset using a number of available sources including trade association membership lists, screen agency records and other databases. In addition, the Census was publicised in trade journals and national press in order to reach companies outside the membership of industry organisations. Each company was given two months to complete and return the questionnaire. The 2009 Census achieved a response from 2,878 companies. The estimated percentage coverage of each sector has been used to generate estimates of the workforce in each sector and in the industry as a whole, from the responses received, through the calculation of weighting factors. These take into account all available information about the representation of the response for each sector in terms of numbers and size of companies.

- **Balancing Children and Work in the Audio Visual Industries 2006** aimed investigate the factors specific to balancing a career with family life in the Creative Media sector, and in particular to identify and isolate the determinants of whether or not women remain in the industry at each phase of balancing a career with family life. There were two stages to the research. First, the design of the study was informed by structured one to one interviews with representatives from expert, industry, and government organisations. Second, study data were generated via five focus group discussions which took place during the first week of October 2006. Participants were organised characterised by homogeneity of characteristics determined by the purpose of the study and the sample specification (e.g. gender, presence of children), in order to capitalise on participants' shared experiences. In addition, in advance of the focus group discussions each participant was invited to complete a short questionnaire to provide context to the focus group discussions. A non-probability sample was designed. Sub-sectors of the were selected where Skillset research has shown there is either under-representation of women with dependents under the age of 16 (compared to men); the per cent of women working is above average; or there is a high degree of reliance on freelancers.

- **Survey of the Audio Visual Workforce 2005** – the last workforce survey conducted prior to 2008. The scope of the survey was all people employed in the following sectors: Broadcast, Independent Production for TV, Facilities, Interactive Media, Content for Computer Games, Corporate Production, Commercials, Animation.

  In order to provide the perspective and capture the experience of both individuals working at the time of the survey and those available to the workforce but not actually employed at the time of the survey, a self-completion questionnaire was distributed by post or by email to employees and freelancers via two main routes during March 2005.The quantity of questionnaires distributed was calculated based on the employment estimates reported in the 2004 Skillset Employment Census and an estimated rate of response based on previous experience of similar surveys.

  The first route consisted of distribution of around 74,000 questionnaires via and with the support of various trade organisations. Second, around 8,000 questionnaires were distributed via employers in sectors employing individuals in occupations not sufficiently represented by the trade organisations involved. The Skillset 2004 Employment Census company database was used to target companies and the information from the Census on numbers of employees and freelancers in each company was used to calculate the number of questionnaires with which to target each company. Employers were asked to distribute the questionnaires internally to their workforce. Six weeks following the initial distribution, reminder letters were issued. At this time, the sample was boosted by distributing 39,000 questionnaires to individuals via employers in sectors and occupations where the response was low. Again the information from the 2004 Skillset employment Census on numbers of employees and freelancers in each company was used to calculate the number of questionnaires with which to target each company.

  A total of 6,885 completed valid questionnaires were received. It is not possible to calculate an exact response rate, as the exact number of questionnaires distributed via some channels is unknown.

Annex B Creative Media and Gaps in Official Data Sources

Official data sources that rely on Standard Industrial and Standard Occupational Classifications are broadly effective for Photo Imaging, Publishing and Advertising for the purpose of collecting and representing employment and some skills data but less useful for capturing data for the rest of the industry. As noted earlier,

- Key elements of the Creative Media Industries sit in broad classifications that include activity outside of Creative Media preventing any discrete and crucial analysis e.g. Interactive Media, Content for Computer Games and Facilities.
- Official data sources to a greater or lesser extent systematically exclude the discrete and increasing freelance labour pool required to create and distribute the creative content upon which our digital economy is becoming increasingly reliant.
- In some cases sample sizes are too small to enable discrete analysis of data contained within SIC that do exist, particularly to the 5-digit SIC level.

The Creative Media Industries and DCMS with Skillset first reviewed data available for this part of the industry from the ONS and other sources in 1999 and concluded that additional data are required to measure as a priority the size, shape and specific skills demand of the Creative Media Industries its constituent sectors and large freelance labour pool to a granular and commonly understood sub-sectoral level, using bespoke methodologies to ensure adequate sample sizes,. In some cases equivalent data cannot be generated e.g. GVA and GDP and so these measures exclude contributions from elements not served well by SIC e.g. Interactive Media, Facilities (excl. Post Production), Content for Computer Games and freelancers.

In some cases, the SIC and SOC systems simply do not provide the level of detail required, as noted above. In other cases within the SIC system, whilst the system itself provides the level of detail required, the sample size of surveys that underpin the key data sources, such as the ABI which measures productivity, are in fact too small to offer robust detailed analysis. As well as systematically excluding sole traders, as far as business activity goes, little data are available at 5-digit SIC level and for example production and distribution activity cannot be disaggregated.

The table below provides a full breakdown of employment in the Creative Media Industries from Skillset's primary research compared with estimates from official data sources. This is followed by a detailed comparative analysis.

For more detail on the methodologies adopted please refer to: www.skillset.org.

Table 27 Labour Force Survey and Skillset Creative Media Employment Estimates

LABOUR FORCE SURVEY[455]			SKILLSET[456]		
INDUSTRIES			INDUSTRIES		
SIC 2007	**Description**	**Total Employed**	**Main Sector**	**Sub-sector**	**Total Employed**
60.2	TV Programming & Broadcasting activities	43,750	**Television**	Broadcast TV	15,750
59.11/3	TV Programme Production activities	21,300		Cable and Satellite	12,700
59.13/3	TV Programme Distribution activities	2,000		Independent Production	21,700
	Sub-total	**67,100**		**Sub-total**	**50,150**
60.1	Radio Broadcasting	17,950	**Radio**	Broadcast Radio	19,900
				Independent Production	1,000
	Sub-total	**17,950**		**Sub-total**	**20,900**
59.12	MP, V, and TV Programme Post-Production	5,300	**Facilities**	Post Production	7,450
				Studio and Equipment Hire	5,900
				Outside Broadcast	300
				VFX	6,900
				Special Physical Effects	700
				Manufacture of AV Equipment	2,900
				Processing Labs	300
				Other Services for Film and TV	18,600
	Sub-total	**5,300**		**Sub-total**	**43,050**
59.11/1	Motion Picture Production activities	18,900	**Film**	Film Production[457]	11,500
59.13/1	Motion Picture Distribution activities	1,800		Film Distribution	1,200
59.14	Motion Picture Projection activities	10,250		Cinema Exhibition	17,650
				Moving Picture Archives and Libraries	300

[455] ONS Labour Force Survey July 2009 – June 2010.

[456] Skillset (2009) Employment Census except for Publishing, Photo Imaging, Advertising, Creative Occupations outside the industry and other business sectors of interest.

[457] Secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and Skillset (2009) Employment Census.

LABOUR FORCE SURVEY[455]			SKILLSET[456]		
	Sub-total	**30,950**		**Sub-total**	**30,650**
59.11/2	Video Production activities	6,900	**Other Content**	Animation	4,300
59.13/2	Video Distribution activities	3,300		Commercials and Pop Promos	4,100
18.20/2	Reproduction of video recording	-		Corporate Production	3,950
	Sub-total	**10,200**		**Sub-total**	**12,350**
			Interactive Media	Interactive Media	34,250
				Sub-total	**34,250**
			Content for Computer Games	Content and Development	7,000
				Sub-total	**7,000**
			Additional Available		**50,000**
74.2	Photographic activities		**Photo Imaging[458]**	Photographic activities	
74.20/1	Portrait Photographic activities	15,850		Portrait Photographic activities	15,850
74.20/2	Other Specialist Photography not Portrait	1,800		Other Specialist Photography not	1,800
74.20/3	Film processing	6,100		Film Processing	6,100
74.20/9	Other Photographic activities; n.e.c.	21,150		Other Photographic activities; n.e.c.	21,150
	Sub-total	**44,900**		**Sub-total**	**44,900**
58.11	Book Publishing	31,400	**Publishing[459]**	Book Publishing	31,400
58.12	Publishing of Directories & Mailing Lists	2,600		Publishing of Directories & Mailing Lists	2,600
58.13	Publishing of Newspapers	46,950		Publishing of Newspapers	46,900
58.14	Publishing of Journals & Periodicals			Publishing of Journals & Periodicals	
58.14/1	Publishing of Learned Journals	n/a		Publishing of Learned Journals	n/a
58.14/2	Publishing of Consumer, Business and Professional Journals and Periodicals	43,650		Publishing of Consumer, Business and Professional Journals and Periodicals	43,600

[458] ONS LFS July 2009 – June 2010

[459] Ibid

LABOUR FORCE SURVEY[455]			SKILLSET[456]		
63.91	News Agency activities	8,100		News Agency activities	8,100
63.99	Other information Service activities n.e.c.	8,900		Other information Service activities	8,900
58.19	Other Publishing	36,800		Other Publishing	36,800
	Sub-total	**178,400**		**Sub-total**	**178,400**
73.11	Advertising Agencies	72,100	**Advertising[460]**	Advertising Agencies	72,100
73.12	Media Representation Services	22,500		Media Representation Services	22,500
	Sub-total	**94,650**		**Sub-total**	**94,650**
	TOTAL	**449,850**		**TOTAL**	**566,300**
OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY[461]			**OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY[462]**		
SOC 2000	**Description**	**Total employed**	**SOC 2000**	**Description**	**Total employed**
3431	Journalists, Newspaper & Periodical Editors	27,050	3431	Journalists, Newspaper & Periodical	27,050
3432	Broadcasting Associate Professionals	9,850	3432	Broadcasting Associate Professionals	9,850
3434	Photographers & Audio-Visual equipment	21,950	3434	Photographers & Audio-Visual	21,950
1134	Advertising & Public Relation Managers	36,450	1134	Advertising & Public Relation Managers	36,450
3433	Public Relations Officers	32,200	3433	Public Relations Officers	32,200
	TOTAL	**127,450**		**TOTAL**	**127,450**
INDUSTRIES + OCCUPATIONS[463]			**INDUSTRIES + OCCUPATIONS[464]**		
TOTAL INDUSTRIES + OCCUPATIONS		**577,300**	**TOTAL INDUSTRIES + OCCUPATIONS**		**693,750**

[460] Ibid

[461] Skillset's contract with UKCES states that Skillset has exclusive responsibility for occupations 3421, 3432 and 3434 and primary responsibility for 1134 and 3433.

[462] Ibid

[463] Ibid

[464] Ibid

OTHER BUSINESS SECTORS OF INTEREST[465]			OTHER BUSINESS SECTORS OF INTEREST [466]		
SIC 2007	**Description**	**Total Employed**	**Main Sector**	**Sub-sector**	**Total Employed**
18.20/3	Reproduction of Computer Media	*	**Content for Computer Games**	Reproduction of Computer Media	*
58.21	Publishing of Computer Games	2,850		Publishing of Computer Games	2,850
62.01	Computer programming activities			Computer programming activities	
62.01/1	Ready-made interactive leisure and entertainment software development	9,250		Ready-made interactive leisure and entertainment software development	9,250
62.01/2	Business and domestic software development	182,800		Business and domestic software	182,800
62.02	Computer consultancy activities	223,050	**Interactive Media**	Computer consultancy activities	223,050
63.12	Web portals	1,100		Web portals	1,100
	TOTAL	**419,450**		**TOTAL**	**419,450**

NB: ‘n/a’ indicates data not available. All LFS data include all people working and not just those of working age.

465 Skillset’s contract with UKCES does not include responsibility for these SIC outside the Creative Media Industries, they sit within the footprint of e-Skills. The following business sectors represent areas where there is a Creative Media interest.

466 Ibid

Table 27 shows employment estimates from the Labour Force Survey (July 2009 – June 2010) using SIC 2007 against those from Skillset sourced employment data where there is significant incompatibility, using the Skillset coordinated and industry endorsed classification system. Figures from both sources have been grouped in ways that differ slightly from their 'natural' organisation within the two respective systems in order to enable comparison: in other words, the sectors as defined within SIC are not listed in chronological order, and the broad sector groupings used for Skillset data do not in every case reflect how the sector is usually mapped, defined or presented by Skillset. The sector groupings used here are intended purely to illustrate where definitions are compatible and where they are not, and what is and is not included within each dataset.

Television

The LFS estimate of employment in television is considerably higher than Skillset's (67,100 compared with 50,150). There are a number of likely explanations for this. Analysis of the data at sub-sector level shows a close fit between the LFS estimate for 59.11/3 (TV Programme Production Activities) and Skillset's estimate for Independent Production for TV (21,300 against 21,700). The real disparity is between the LFS estimate for SIC 60.2 (TV Programming & Broadcasting Activities) and Skillset's combined estimate for Terrestrial TV and Cable and Satellite (43,750 against 28,450). The main reason for this is likely to be the diversification of activities now undertaken by broadcasters, and difference in the modes of classification between the LFS and Skillset's Employment Census. Specifically, the BBC (by far the largest employer in this area) undertakes activity not only in Television Broadcasting, but also Radio, Interactive Media and Facilities (e.g. Post Production and Outside Broadcast). In the absence of suitable alternative classifications, it is likely that all or most individuals employed, say by the BBC, who respond to the LFS will be classified within 60.2. By contrast, the BBC provides Skillset with employment returns for the four sectors separately (Television, Radio, Interactive Media and Facilities). Employees and freelancers working in generic roles across the business are apportioned according to the relative size of each main area of business. Thus some of the workforce represented within 60.2 is counted by Skillset's research within the categories of Radio, Facilities and Interactive Media rather than Television.

Radio

In contrast to Television, Skillset's estimate for Radio comes out higher than that of the LFS – 20,900 compared with 17,950. In large part, this is likely to be due to the phenomenon, already noted, of BBC employees across all areas of activity being classified as within 60.2 (TV Programming and Broadcasting Activities) by the LFS, but within the specific area by Skillset.

Facilities

The Facilities sector encompasses a wide range of activities that provide support to Television, Film and related areas. The only one of these areas captured by a discrete category within SIC is 59.12 (motion picture, video, and television programme post-production activities). The LFS reports 5,300 people to be employed in that activity, compared with 7,450 recorded by Skillset as working in Post Production. This will be due in part to the classification by the LFS as some individuals in Post Production within TV Programming and Broadcasting (60.2), as already noted. Some other individuals classified in other sub-sectors of Facilities by Skillset (e.g. Outside Broadcast and VFX), may also be classified by the LFS as within 60.2. However, many, employed in areas such as Studio and Equipment Hire and Other Services for Film and TV, are almost certainly excluded completely from LFS data cut to capture the footprint as they are probably counted within SICs that are 'core' to another SSC. This cohort of people almost certainly accounts for part of the overall discrepancy between the LFS and Skillset data. Skillset's estimate for the entire Facilities workforce is 43,050.

Film

The overall estimate of employment in film from the LFS is 30,950, very similar to Skillset's figure of 30,450. While Skillset's estimate of exhibition/projection is higher and the distribution figure is similar from each, the LFS estimate of employment in film production is considerably higher (18,900 compared with 11,500). The likely explanation for this is the classification by LFS of some individuals in film production who are recorded by Skillset in areas such as commercials or animation (see below – Other Content Creation).

Other Content Creation

The sum of these areas as recorded by Skillset comes in higher than the LFS estimate (12,350 compared with10,200). As noted above, this is probably due to some of those classified here by Skillset being counted within Film Production by the LFS.

Interactive Media

Interactive Media accounts for employment of 34,250 people but is not classified as a discrete sector within SIC and therefore does not show up in official data estimates of Skillset's footprint from sources such as the LFS

Content for Computer Games

Content for Computer Games accounts for employment of 7,000 people but is not classified as a discrete sector within SIC and therefore does not show up in official data estimates of Skillset's footprint from sources such as the LFS.

Reconciling the Data

As has been noted above, there are some differences between the LFS and Skillset sources in how sectors are classified within and between Television, Radio, Film, Other Content Creation, and Post Production, but the overall estimates for combined employment in areas covered by SIC fit very closely.

Annex C Sector Overview

In TV and Radio, the UK is particularly recognised for the quality of its public sector broadcasters alongside regulated subscription services such as BSkyB and Virgin Media). Exploiting broadband infrastructure to offer users ‘on demand’ services, the BBC launched iPlayer in 2007, and similar offerings have since been released by ITV, Channel 4 and Sky. TV has had particular challenges as advertising revenues shift online (see below), and the sector has seen a shift from employment in big organisations such as the BBC and ITV to the independent production sector.

Undoubtedly, the TV and Radio industries are going through one of the most profound periods of restructuring and challenge in its history, in the face of convergent media and changing audience tastes and behaviour. As content created for television broadcast is increasingly available on, and viewed via, the internet ‘content is king’ and audiences seek programmes and content rather than channels and schedules. This convergence and change is happening at a faster rate than predicted, adding structural challenges to those posed by the downturn in the economic climate. Falling advertising revenue has already impacted directly on the sector, with significant job losses and reductions of commissioning and learning and development budgets.

The UK has a strong heritage in IP creation in Video, Film and Photography – in the Film sector alone over the period 2001-2007, 30 of the top 200 films globally were based on stories and characters created by British writers, and British films account for 31% of UK box office receipts.[467] We have one of the most prodigious and highly respected Film industry’s in the world which brings with it innumerable secondary economic opportunities and benefits. The current economic climate has posed challenges as it has across the whole economy and 2008 was a mixed year for the industry. The UK box office grew to a record £850 million. UK films took 31% of the UK box office and internationally UK films accounted for 15% of the global box office. The upward trend in the performance of UK film in the global market was reflected in the 2007 export figures, which saw UK film exports reaching a record £1,050 million. This figure captures the exports of production services and income from royalties, underlining the UK’s international competitiveness.[468]

[467] Statistical Yearbook, UK Film Council 2009

[468] Ibid

In total, the global market for all forms of Animation is currently estimated to be worth $300 billion per annum. The UK has a significant position in this market, but the UK's animation industry faces a number of challenges and opportunities that will affect its various sub-sectors in different ways. In particular, the decline in commissions from commercial broadcasters and the lack of a viable animated features market means that much of the industry revolves around VFX or Computer Games outlets, or motion graphics/promos, with stereo 3D and compositing skills desperately needed to stay competitive, as well as a greater pool of cross-platform savvy animation producers.

The Facilities sector supports and underpins the creative talent in the field of television and moving image production in the UK, and to a growing extent the creative talents of overseas producers, by providing specialised technical services, technology and their associated skilled personnel. The sector faces profound changes in its technology and overseas competition. Those involved in the sector, directly and indirectly, must ready themselves to compete globally and find new opportunities in the global digital market place. The lack of available financing due to the recent economic situation is causing increasing damage to the sector, with many companies unable to raise capital to invest in new equipment.

The Interactive Media industry, in particular, which has grown at twice the rate of the economy as a whole over the last decade and forecasts continued growth and demand, is now worth several billions of pounds annually; and is becoming ever more sophisticated. Bringing technical and creative talent together; to understand each other's language and skill-sets, to explore new types of content development, business models, legal and collaborative frameworks is the greatest challenge for industry.

The Content for Computer Games industry in the UK has the largest number of Content for Computer Games studios in Europe, with particular (yet waning) strength in console games, and is the fourth largest producer in the world after US, Canada and Japan.[469]

The Photo Imaging industry continues to be affected by the rapid pace of change in digital technology, with the impact of convergence being compared to the switch from film to digital capture of a decade ago. The widespread use of the internet for the

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[469] Raise the Game, NESTA December 2008

exchange and delivery of information is the primary driver here, creating a huge requirement for bite size chunks of visual content, that need regular updating. The traditional end users of image content have expanded beyond that of editorial and print media to include web and mobile too, with devices such as the I-Pad opening up the market for innovative mixes of multi media content. Another main motivator of change within the photographic sector has been the emergence of hybrid digital DSLR cameras such as the Canon 5D and 7D or Nikon D90, which can produce both still and moving images. This demand for image content that can be used across a wide variety of platforms has highlighted the need for upskilling in technical subjects such as specific software packages and video training, as well as emphasising the need for strong sales and marketing skills to maximise the potential of these new audiences. How best to protect IP, manage copyright and monetise content continue to be ongoing challenges for the industry as a whole and these issues will only increase in complexity as the convergence market develops.

The Publishing industry, particularly newspapers, is adversely affected by the impact of the recession on advertising and consumer spending. At the same time, Publishing companies are key players in the information age, as drivers of the e-economy[470] and are making information available on an unprecedented scale. Google has made over half a million public domain books searchable online or downloadable. Creative Media distribution to electronic devices is growing, with content starting to appear for an ever widening set of devices - from the Kindle and Sony e-Book reader, to the publishing of Harper Collins' 100 Classic Book Collection for Nintendo DS. Tablets (e.g. iPad) and mobile smart phone technology are also anticipated to have a big impact on the industry.

The Advertising industry is an important player in the UK economy as well as a world leader, generating £5 billion annually for the UK economy. It is a sector which leads the way with cross-platform innovation as campaigns cross boundaries between TV, radio, print, billboard and interactive media. Job roles within advertising are varied and include copywriting, creative, media planning and buying, account management, production and client services. It's importance as a sector to the broadcast and print industries are crucial as Advertising funds the vast majority of commercial television, national press, magazines and commercial radio. Without advertising revenue the quality and quantity of programming and editorial would suffer.

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[470] BIS, 2009 www.berr.gov.uk/whatwedo/sectors/publishing/index.html

Annex D UK Creative Media Employment

The system for classifying industries used by official data - Standard Industrial and Standard Occupational Classifications (SIC and SOC) - is broadly effective for Photo Imaging, Publishing and Advertising but less useful for classifying the rest of the industry. As noted earlier:

- Key elements of the Creative Media Industries sit in broad classifications that include activity outside of Creative Media preventing any discrete and crucial analysis e.g. Interactive Media, Content for Computer Games and Facilities.
- Official data sources to a greater or lesser extent systematically exclude the discrete and increasing freelance labour pool required to create and distribute the creative content upon which our digital economy is becoming increasingly reliant.
- In some cases sample sizes are too small to enable discrete analysis of data contained within SIC that do exist, particularly to the 5-digit SIC level.

In addition, sample sizes for Scotland, Northern Ireland and Wales are far too small to be published by official data sources for most SIC.

The Creative Media Industries and DCMS with Skillset first reviewed data available for this part of the industry from the ONS and other sources in 1999 and concluded that additional data are required to measure as a priority the size, shape and specific skills demand of the Creative Media Industries its constituent sectors and large freelance labour pool to a granular and commonly understood sub-sectoral level, using bespoke methodologies to ensure adequate sample sizes,. In some cases equivalent data cannot be generated e.g. GVA and GDP and so these measures exclude contributions from elements not served well by SIC e.g. Interactive Media, Facilities (excluding Post Production), Content for Computer Games and freelancers.

In some cases, the SIC and SOC systems simply do not provide the level of detail required, as noted above. In other cases within the SIC system, whilst the system itself provides the level of detail required, sample sized of surveys prevent that underpin the key data sources such as the ABI which measures productivity are in fact too small to offer robust detailed analysis. As well as systematically excluding sole traders, as far as business activity goes, little data are available at 5-digit SIC level and for example production and distribution activity cannot be disaggregated.

The tables below provide a full breakdown of employment in the Creative Media Industries in each of the four nations within the UK, from Skillset's primary research compared with estimates from official data sources. The tables clearly show the paucity of official data for the Creative Media Industries in Scotland, Wales and Northern Ireland where as noted earlier Interactive Media, Content for Computer Games and most of Facilities are not included at all, and reliable figures for those sectors that are included are not robust enough to report in many cases. The official data substantially underestimates the scale of employment within the Creative Media Industries in Scotland, Wales and Northern Ireland, only accounting for a proportion of employment as illustrated by Skillset's industry endorsed primary research.

For more detail on the methodologies adopted please refer to: www.skillset.org.

Table 28 Labour Force Survey and Skillset Creative Media Employment Estimates - Scotland

LABOUR FORCE SURVEY[471]				SKILLSET[472]		
INDUSTRIES				INDUSTRIES		
SIC 2007	**Description**	**Total Employed**		**Main Sector**	**Sub-sector**	**Total Employed**
60.2	TV Programming & Broadcasting activities	1,950		**Television**	Broadcast TV	950
59.11/3	TV Programme Production activities	1,050			Cable and Satellite	0
59.13/3	TV Programme Distribution activities	*			Independent Production	1,000
	Sub-total	**3,000**			**Sub-total**	**1,950**
60.1	Radio Broadcasting	1,650		**Radio**	Broadcast Radio	1,650
					Independent Production	*
	Sub-total	**1,650**			**Sub-total**	**1,650**
59.12	MP, V, and TV Programme Post-Production	-		**Facilities**	Post Production	100
					Studio and Equipment Hire	250
					Outside Broadcast	50
					VFX	*
					Special Physical Effects	50
					Manufacture of AV Equipment	*
					Processing Labs	*
					Other Services for Film and TV	550
	Sub-total	-			**Sub-total**	**1,000**
59.11/1	Motion Picture Production activities	*		**Film**	Film Production[473]	700
59.13/1	Motion Picture Distribution activities	-			Film Distribution	300
					Cinema Exhibition	1,450
59.14	Motion Picture Projection activities	*				

[471] ONS Labour Force Survey April-June 2009.

[472] Skillset (2009) Employment Census except for Publishing, Photo Imaging, Advertising, Creative Occupations outside the industry and other business sectors of interest.

[473] Secondary analysis of unit lists for 2006 feature film productions (80 minutes or longer and minimum budget of £500K) and Skillset (2009) Employment Census.

LABOUR FORCE SURVEY[471]			SKILLSET[472]		
				Moving Picture Archives and Libraries	*
	Sub-total	*		**Sub-total**	**2,450**
59.11/2	Video Production activities	*	**Other Content**	Animation	500
59.13/2	Video Distribution activities	-		Commercials and Pop Promos	*
18.20/2	Reproduction of video recording	-		Corporate Production	150
	Sub-total	*		**Sub-total**	**650**
			Interactive Media	Interactive Media	1,050
				Sub-total	**1,050**
			Content for Computer Games	Content and Development	500
				Sub-total	**500**
			Additional Available Freelancers		**2,800**
74.2	Photographic activities		**Photo Imaging[474]**	Photographic activities	
74.20/1	Portrait Photographic activities	*		Portrait Photographic activities	*
74.20/2	Other Specialist Photography not Portrait	*		Other Specialist Photography not Portrait	*
74.20/3	Film processing	*		Film processing	*
74.20/9	Other Photographic activities; n.e.c.	*		Other Photographic activities; n.e.c.	*
	Sub-total	**1,900**		**Sub-total**	**1,900**
58.11	Book Publishing	1,550	**Publishing[475]**	Book Publishing	1,550
58.12	Publishing of Directories & Mailing Lists	*		Publishing of Directories & Mailing Lists	*
58.13	Publishing of Newspapers	5,100		Publishing of Newspapers	5,100
58.14	Publishing of Journals & Periodicals			Publishing of Journals & Periodicals	
58.14/1	Publishing of Learned Journals	*		Publishing of Learned Journals	*

[474] ONS Labour Force Survey July 2009 – June 2010.

[475] Ibid

LABOUR FORCE SURVEY[471]			SKILLSET[472]		
58.14/2	Publishing of Consumer, Business and Professional Journals and Periodicals	1,300		Publishing of Consumer, Business and Professional Journals and Periodicals	1,300
63.91	News Agency activities	*		News Agency activities	*
63.99	Other information Service activities n.e.c.	*		Other information Service activities n.e.c.	*
58.19	Other Publishing	1,500		Other Publishing	1,500
	Sub-total	**11,500**		**Sub-total**	**11,500**
073.10	Advertising Agencies		**Advertising**[476]	Advertising Agencies	
73.12	Media Representation Services			Media Representation Services	
	Sub-total	**2,000**		**Sub-total**	**2,000**
	TOTAL	**22,000**		**TOTAL**	**27,400**
OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY[477]			**OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY**		
SOC 2000	**Description**	**Total employed**	**SOC 2000**	**Description**	**Total employed**
3431	Journalists, Newspaper & Periodical Editors	1,400	3431	Journalists, Newspaper & Periodical	1,400
3432	Broadcasting Associate Professionals	*	3432	Broadcasting Associate Professionals	*
3434	Photographers & Audio-Visual equipment operators	2,600	3434	Photographers & Audio-Visual equipment	2,600
1134	Advertising & Public Relation Managers	3,350	1134	Advertising & Public Relation Managers	3,350
3433	Public Relations Officers	3,000	3433	Public Relations Officers	3,000
	TOTAL	**11,050**		**TOTAL**	**11,050**
INDUSTRIES + OCCUPATIONS			**INDUSTRIES + OCCUPATIONS**		
TOTAL		**33,050**	**TOTAL**		**38,450**

[476] Ibid

[477] Skillset's contract with UKCES states that Skillset has exclusive responsibility for occupations 3421, 3432 and 3434 and primary responsibility for 1134 and 3433.

OTHER BUSINESS SECTORS OF INTEREST[478]			OTHER BUSINESS SECTORS OF INTEREST [479]		
SIC 2007	**Description**	**Total Employed**	**Main Sector**	**Sub-sector**	**Total Employed**
18.20/3	Reproduction of Computer Media	-	**Content for Computer Games**	Reproduction of Computer Media	-
58.21	Publishing of Computer Games	-		Publishing of Computer Games	-
62.01	Computer programming activities			Computer programming activities	
62.01/1	Ready-made interactive leisure and entertainment software development	1,150		Ready-made interactive leisure and entertainment software development	1,150
62.01/2	Business and domestic software development	10,050		Business and domestic software	10,050
62.02	Computer consultancy activities	11,350	**Interactive Media**	Computer consultancy activities	11,350
63.12	Web portals	-		Web portals	-
	TOTAL	**22,600**		**TOTAL**	**22,600**

NB: ‘-’ indicates data not available. All LFS data include all people working and not just those of working age. ’*’ indicates figures are suppressed due to unreliable estimates.

[478] Skillset’s contract with UKCES does not include responsibility for these SIC outside the Creative Media Industries, they sit within the footprint of e-Skills. The following business sectors represent areas where there is a Creative Media interest.

[479] Ibid

Table 29: Labour Force Survey and Skillset Creative Media Employment Estimates - Northern Ireland

LABOUR FORCE SURVEY[480]			**SKILLSET**[481]		
INDUSTRIES			**INDUSTRIES**		
SIC 2007	**Description**	**Total Employed**	**Main Sector**	**Sub-sector**	**Total Employed**
60.2	TV Programming & Broadcasting activities	*	**Television**	Broadcast TV	500
59.11/3	TV Programme Production activities			Cable and Satellite	0
59.13/3	TV Programme Distribution activities			Independent Production	1150
	Sub-total	*****		**Sub-total**	**1,650**
60.1	Radio Broadcasting	-	**Radio**	Broadcast Radio	2050
				Independent Production	0
	Sub-total	**-**		**Sub-total**	**2,050**
59.12	MP, V, and TV Programme Post-Production	-	**Facilities**	Post Production	50
				Studio and Equipment Hire	250
				Outside Broadcast	0
				VFX	*
				Special Physical Effects	0
				Manufacture of AV Equipment	0
				Processing Labs	0
				Other Services for Film and TV	50
	Sub-total	**-**		**Sub-total**	**350**
59.11/1	Motion Picture Production activities	*	**Film**	Film Production[482]	350
59.13/1	Motion Picture Distribution activities	-		Film Distribution	0
59.14	Motion Picture Projection activities	*		Cinema Exhibition	50

480 ONS Labour Force Survey July 2009 – June 2010.

481 Skillset (2009) Employment Census except for Publishing, Photo Imaging, Advertising, Creative Occupations outside the industry and other business sectors of interest.

482 Secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and Skillset (2009) Employment Census.

LABOUR FORCE SURVEY[480]			SKILLSET[481]		
				Moving Picture Archives and Libraries	*
	Sub-total	*****		**Sub-total**	**400**
59.11/2	Video Production activities	-	**Other Content**	Animation	50
59.13/2	Video Distribution activities	-		Commercials and Pop Promos	300
18.20/2	Reproduction of video recording			Corporate Production	50
	Sub-total	**-**		**Sub-total**	**400**
			Interactive Media	Interactive Media	1,850
				Sub-total	**1,850**
			Content for Computer Games	Content and Development	*
				Sub-total	*****
			Additional Available Freelancers		**1,000**
74.2	Photographic activities	-	**Photo Imaging[483]**	Photographic activities	-
74.20/1	Portrait Photographic activities	*		Portrait Photographic activities	*
74.20/2	Other Specialist Photography not Portrait	-		Other Specialist Photography not	-
74.20/3	Film processing	*		Film processing	-
74.20/9	Other Photographic activities; n.e.c.	*		Other Photographic activities; n.e.c.	*
	Sub-total	*****		**Sub-total**	*****
58.11	Book Publishing	-	**Publishing[484]**	Book Publishing	-
58.12	Publishing of Directories & Mailing Lists	-		Publishing of Directories & Mailing	-
58.13	Publishing of Newspapers	1,000		Publishing of Newspapers	1,000
58.14	Publishing of Journals & Periodicals	-		Publishing of Journals & Periodicals	-
58.14/1	Publishing of Learned Journals	-		Publishing of Learned Journals	-

[483] ONS Labour Force Survey July 2009 – June 2010.

[484] Ibid

LABOUR FORCE SURVEY[480]			**SKILLSET**[481]		
58.14/2	Publishing of Consumer, Business and Professional Journals and Periodicals	*		Publishing of Consumer, Business and Professional Journals and	*
63.91	News Agency activities	-		News Agency activities	-
63.99	Other information Service activities n.e.c.	-		Other information Service activities	-
58.19	Other Publishing	-		Other Publishing	-
	Sub-total	**1,200**		**Sub-total**	**1,200**
73.10	Advertising Agencies	-	**Advertising**[485]	Advertising Agencies	
	Media Representation Services	-		Media Representation Services	
	Sub-total	**1,600**		**Sub-total**	**1,600**
	TOTAL	**4,950**		**TOTAL**	**10,900**
OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY[486]			**OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY**[487]		
SOC 2000	**Description**	**Total employed**	**SOC 2000**	**Description**	**Total employed**
3431	Journalists, Newspaper & Periodical Editors	-	3431	Journalists, Newspaper & Periodical	-
3432	Broadcasting Associate Professionals	-	3432	Broadcasting Associate Professionals	-
3434	Photographers & Audio-Visual equipment	*	3434	Photographers & Audio-Visual	*
1134	Advertising & Public Relation Managers	*	1134	Advertising & Public Relation	*
3433	Public Relations Officers	*	3433	Public Relations Officers	*
	TOTAL	**1,100**		**TOTAL**	**1,100**
INDUSTRIES + OCCUPATIONS[488]			**INDUSTRIES + OCCUPATIONS**[489]		
TOTAL		**6,050**	**TOTAL**		**12,000**

[485] Ibid

[486] Skillset's contract with UKCES states that Skillset has exclusive responsibility for occupations 3421, 3432 and 3434 and primary responsibility for 1134 and 3433.

[487] Ibid

[488] Ibid

[489] Ibid

LABOUR FORCE SURVEY[480]			SKILLSET[481]		
OTHER BUSINESS SECTORS OF INTEREST[490]			OTHER BUSINESS SECTORS OF INTEREST [491]		
SIC 2007	**Description**	**Total Employed**	**Main Sector**	**Sub-sector**	**Total Employed**
18.20/3	Reproduction of Computer Media	-	**Content for Computer Games**	Reproduction of Computer Media	-
58.21	Publishing of Computer Games	-		Publishing of Computer Games	-
62.01	Computer programming activities			Computer programming activities	
62.01/1	Ready-made interactive leisure and entertainment software development	-		Ready-made interactive leisure and entertainment software development	-
62.01/2	Business and domestic software development	6,400		Business and domestic software	6,400
62.02	Computer consultancy activities	2,900	**Interactive Media**	Computer consultancy activities	2,900
63.12	Web portals	-		Web portals	-
	TOTAL	**9,300**		**TOTAL**	**9,300**

NB: '-' indicates data not available. All LFS data include all people working and not just those of working age. '*' indicates figures are suppressed due to unreliable estimates.

[490] Skillset's contract with UKCES does not include responsibility for these SIC outside the Creative Media Industries, they sit within the footprint of e-Skills. The following business sectors represent areas where there is a Creative Media interest.

[491] Ibid

Table 30 Labour Force Survey and Skillset Creative Media Employment Estimates - Wales

LABOUR FORCE SURVEY[492]			SKILLSET[493]		
INDUSTRIES			INDUSTRIES		
SIC 2007	**Description**	**Total Employed**	**Main Sector**	**Sub-sector**	**Total Employed**
60.2	TV Programming & Broadcasting activities	4,000	**Television**	Broadcast TV	1,000
59.11/3	TV Programme Production activities	*		Cable and Satellite	*
59.13/3	TV Programme Distribution activities	-		Independent Production	2,500
	Sub-total	**4,000**		**Sub-total**	**3,500**
60.1	Radio Broadcasting	-	**Radio**	Broadcast Radio	750
				Independent Production	*
	Sub-total	**-**		**Sub-total**	**750**
59.12	MP, V, and TV Programme Post-Production	-	**Facilities**	Post Production	100
				Studio and Equipment Hire	100
				Outside Broadcast	*
				VFX	*
				Special Physical Effects	*
				Manufacture of AV Equipment	*
				Processing Labs	*
				Other Services for Film and TV	500
	Sub-total	**-**		**Sub-total**	**700**
59.11/1	Motion Picture Production activities	-	**Film**	Film Production[494]	250
59.13/1	Motion Picture Distribution activities	-		Film Distribution	*
59.14	Motion Picture Projection activities	*		Cinema Exhibition	750

492 ONS Labour Force Survey July 2009 – June 2010.

493 Skillset (2009) Employment Census except for Publishing, Photo Imaging, Advertising, Creative Occupations outside the industry and other business sectors of interest.

494 Secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and Skillset (2009) Employment Census.

LABOUR FORCE SURVEY[492]			SKILLSET[493]		
				Moving Picture Archives and Libraries	*
	Sub-total	*****		**Sub-total**	**1,000**
59.11/2	Video Production activities	-	**Other Content**	Animation	400
59.13/2	Video Distribution activities	-		Commercials and Pop Promos	0
18.20/2	Reproduction of video recording			Corporate Production	0
	Sub-total	**-**		**Sub-total**	**400**
			Interactive Media	Interactive Media	3,850
				Sub-total	**3,850**
			Content for Computer Games	Content and Development	50
				Sub-total	**50**
			Additional Available Freelancers		**2,100**
74.2	Photographic activities	-	**Photo Imaging**[495]	Photographic activities	-
74.20/1	Portrait Photographic activities	*		Portrait Photographic activities	*
74.20/2	Other Specialist Photography not Portrait	-		Other Specialist Photography not	-
74.20/3	Film processing	-		Film processing	-
74.20/9	Other Photographic activities; n.e.c.	*		Other Photographic activities; n.e.c.	*
	Sub-total	**1,800**		**Sub-total**	**1,800**
58.11	Book Publishing	-	**Publishing**[496]	Book Publishing	-
58.12	Publishing of Directories & Mailing Lists	-		Publishing of Directories & Mailing	-
58.13	Publishing of Newspapers	2,000		Publishing of Newspapers	2,000
58.14	Publishing of Journals & Periodicals	-		Publishing of Journals & Periodicals	-
58.14/1	Publishing of Learned Journals	-		Publishing of Learned Journals	-

[495] ONS Labour Force Survey July 2009 – June 2010.

[496] Ibid

LABOUR FORCE SURVEY[492]			**SKILLSET**[493]		
58.14/2	Publishing of Consumer, Business and Professional Journals and Periodicals	*		Publishing of Consumer, Business and Professional Journals and	*
63.91	News Agency activities	*		News Agency activities	*
63.99	Other information Service activities n.e.c.	*		Other information Service activities	*
58.19	Other Publishing	*		Other Publishing	*
	Sub-total	**3,000**		**Sub-total**	**3,300**
73.10	Advertising Agencies		**Advertising**[497]	Advertising Agencies	
	Media Representation Services			Media Representation Services	
	Sub-total	**2,800**		**Sub-total**	**2,800**
	TOTAL	**14,400**		**TOTAL**	**20,300**
OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY[498]			**OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY**[499]		
SOC 2000	**Description**	**Total employed**	**SOC 2000**	**Description**	**Total employed**
3431	Journalists, Newspaper & Periodical Editors	1,000	3431	Journalists, Newspaper & Periodical	1,000
3432	Broadcasting Associate Professionals	-	3432	Broadcasting Associate Professionals	-
3434	Photographers & Audio-Visual equipment	*	3434	Photographers & Audio-Visual	*
1134	Advertising & Public Relation Managers	1,350	1134	Advertising & Public Relation	1,350
3433	Public Relations Officers	1,000	3433	Public Relations Officers	1,000
	TOTAL	**3,500**		**TOTAL**	**3,500**
INDUSTRIES + OCCUPATIONS[500]			**INDUSTRIES + OCCUPATIONS**[501]		
TOTAL		**17,900**	**TOTAL**		**23,800**

[497] Ibid

[498] Skillset's contract with UKCES states that Skillset has exclusive responsibility for occupations 3421, 3432 and 3434 and primary responsibility for 1134 and 3433.

[499] Ibid

[500] Ibid

[501] Ibid

LABOUR FORCE SURVEY[492]			SKILLSET[493]		
OTHER BUSINESS SECTORS OF INTEREST[502]			OTHER BUSINESS SECTORS OF INTEREST [503]		
SIC 2007	**Description**	**Total Employed**	**Main Sector**	**Sub-sector**	**Total Employed**
18.20/3	Reproduction of Computer Media	-	**Content for Computer Games**	Reproduction of Computer Media	-
58.21	Publishing of Computer Games	-		Publishing of Computer Games	-
62.01	Computer programming activities			Computer programming activities	
62.01/1	Ready-made interactive leisure and entertainment software development	-		Ready-made interactive leisure and entertainment software development	-
62.01/2	Business and domestic software development	5,050		Business and domestic software	5,050
62.02	Computer consultancy activities	4,500	**Interactive Media**	Computer consultancy activities	4,500
63.12	Web portals	-		Web portals	-
	TOTAL	**9,550**		**TOTAL**	**9,550**

NB: '-' indicates data not available. All LFS data include all people working and not just those of working age. '*' indicates figures are suppressed due to unreliable estimates.

[502] Skillset's contract with UKCES does not include responsibility for these SIC outside the Creative Media Industries, they sit within the footprint of e-Skills. The following business sectors represent areas where there is a Creative Media interest.

[503] Ibid

Table 31 Labour Force Survey and Skillset Creative Media Employment Estimates - England

LABOUR FORCE SURVEY[504]			SKILLSET[505]		
INDUSTRIES			INDUSTRIES		
SIC 2007	**Description**	**Total Employed**	**Main Sector**	**Sub-sector**	**Total Employed**
60.2	TV Programming & Broadcasting activities	38,000	**Television**	Broadcast TV	13,250
59.11/3	TV Programme Production activities	19,200		Cable and Satellite	12,700
59.13/3	TV Programme Distribution activities	1,600		Independent Production	17,050
	Sub-total	**58,800**		**Sub-total**	**43,000**
60.1	Radio Broadcasting	15,900	**Radio**	Broadcast Radio	15,450
				Independent Production	1,000
	Sub-total	**15,900**		**Sub-total**	**16,450**
59.12	MP, V, and TV Programme Post-Production	5,300	**Facilities**	Post Production	7,200
				Studio and Equipment Hire	5,300
				Outside Broadcast	250
				VFX	6,900
				Special Physical Effects	600
				Manufacture of AV Equipment	2,900
				Processing Labs	300
				Other Services for Film and TV	17,500
	Sub-total	**5,300**		**Sub-total**	**40,900**
59.11/1	Motion Picture Production activities	17,800	**Film**	Film Production[506]	10,200
59.13/1	Motion Picture Distribution activities	1,800		Film Distribution	900
59.14	Motion Picture Projection activities	7,400		Cinema Exhibition	15,400

504 ONS Labour Force Survey July 2009 – June 2010.

505 Skillset (2009) Employment Census except for Publishing, Photo Imaging, Advertising, Creative Occupations outside the industry and other business sectors of interest.

506 Secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and Skillset (2009) Employment Census.

LABOUR FORCE SURVEY[504]			SKILLSET[505]		
				Moving Picture Archives and Libraries	300
	Sub-total	**27,000**		**Sub-total**	**26,800**
59.11/2	Video production activities	5,900	**Other Content**	Animation	3,350
59.13/2	Video Distribution activities	3,300		Commercials and Pop Promos	3,800
18.20/2	Reproduction of video recording	-		Corporate Production	3,750
	Sub-total	**9,200**		**Sub-total**	**10,900**
			Interactive Media	Interactive Media	27,500
				Sub-total	**27,500**
			Content for Computer Games	Content and Development	6,450
				Sub-total	**6,450**
			Additional Available Freelancers		**42,000**
74.2	Photographic activities		**Photo Imaging**[507]	Photographic activities	
74.20/1	Portrait Photographic activities	14,400		Portrait Photographic activities	14,400
74.20/2	Other Specialist Photography not Portrait	1,800		Other Specialist Photography not	1,800
74.20/3	Film Processing	5,100		Film Processing	5,100
74.20/9	Other Photographic activities; n.e.c.	19,400		Other Photographic activities; n.e.c.	19,400
	Sub-total	**40,800**		**Sub-total**	**40,800**
58.11	Book Publishing	29,800	**Publishing**[508]	Book Publishing	29,800
58.12	Publishing of Directories & Mailing Lists	2,400		Publishing of Directories & Mailing	2,400
58.13	Publishing of Newspapers	39,200		Publishing of Newspapers	39,200
58.14	Publishing of Journals & Periodicals			Publishing of Journals & Periodicals	
58.14/1	Publishing of Learned Journals	n/a		Publishing of Learned Journals	n/a

[507] ONS Labour Force Survey July 2009 – June 2010.

[508] Ibid

LABOUR FORCE SURVEY[504]			SKILLSET[505]		
58.14/2	Publishing of Consumer, Business and Professional Journals and Periodicals	42,000		Publishing of Consumer, Business and Professional Journals and	42,000
63.91	News Agency activities	7,200		News Agency activities	7,200
63.99	Other information Service activities n.e.c.	7,900		Other information Service activities	7,900
58.19	Other Publishing	34,300		Other Publishing	34,300
	Sub-total	**162,700**		**Sub-total**	**162,700**
73.10	Advertising Agencies	67,700	**Advertising**[509]	Advertising Agencies	67,700
	Media Representation Services	20,700		Media Representation Services	20,700
	Sub-total	**88,200**		**Sub-total**	**88,400**
	TOTAL	**408,500**		**TOTAL**	**505,900**
OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY[510]			**OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY**[511]		
SOC 2000	**Description**	**Total employed**	**SOC 2000**	**Description**	**Total employed**
3431	Journalists, Newspaper & Periodical Editors	24,600	3431	Journalists, Newspaper & Periodical	24,600
3432	Broadcasting Associate Professionals	9,100	3432	Broadcasting Associate Professionals	9,100
3434	Photographers & Audio-Visual equipment	18,900	3434	Photographers & Audio-Visual	18,900
1134	Advertising & Public Relation Managers	31,350	1134	Advertising & Public Relation	31,350
3433	Public Relations Officers	27,800	3433	Public Relations Officers	27,800
	TOTAL	**111,750**		**TOTAL**	**111,750**
INDUSTRIES + OCCUPATIONS[512]			**INDUSTRIES + OCCUPATIONS**[513]		
TOTAL		**520,250**	**TOTAL**		**617,650**

[509] Ibid

[510] Skillset's contract with UKCES states that Skillset has exclusive responsibility for occupations 3421, 3432 and 3434 and primary responsibility for 1134 and 3433.

[511] Ibid

[512] Ibid

[513] Ibid

LABOUR FORCE SURVEY[504]			SKILLSET[505]		
OTHER BUSINESS SECTORS OF INTEREST[514]			OTHER BUSINESS SECTORS OF INTEREST [515]		
SIC 2007	**Description**	**Total Employed**	**Main Sector**	**Sub-sector**	**Total Employed**
18.20/3	Reproduction of Computer Media	*	**Content for Computer Games**	Reproduction of Computer Media	*
58.21	Publishing of Computer Games	2,850		Publishing of Computer Games	2,850
62.01	Computer programming activities			Computer programming activities	
62.01/1	Ready-made interactive leisure and entertainment software development	8,100		Ready-made interactive leisure and entertainment software development	9,250
62.01/2	Business and domestic software development	161,300		Business and domestic software	182,800
62.02	Computer consultancy activities	204,300	**Interactive Media**	Computer consultancy activities	223,050
63.12	Web portals	1,100		Web portals	1,100
	TOTAL	**378,050**		**TOTAL**	**419,450**

NB: '-' indicates data not available. All LFS data include all people working and not just those of working age. '*' indicates figures are suppressed due to unreliable estimates.

514 Skillset's contract with UKCES does not include responsibility for these SIC outside the Creative Media Industries, they sit within the footprint of e-Skills. The following business sectors represent areas where there is a Creative Media interest.

515 Ibid

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Annex F Acknowledgements

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Skillset's Research Committee which guides the development of Skillset's Research Programme. Visit www.skillset.org/research/committee/article_7341_1.asp for a full list of membership.

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