Strategic Skills Assessment for the Creative Media Industries in England

January 2010

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1. Introduction

Skillset is the Sector Skills Council for the Creative Media industry, representing eleven sub sectors which are grouped into four sectors of the DCMS Creative Industries classification. At the heart of the Creative Industries, the Creative Media sector includes companies involved in: Film, Television, Radio, Photo Imaging, Interactive Content Design, Publishing, Animation, Content for Computer Games, Commercials and Promos, Corporate Production, Post Production and Visual Special Effects and Other Specialist Facilities. Throughout this report the term Audio Visual includes Broadcast, Facilities, Animation, Interactive Content Design 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' is key.

The Creative Media sector is synonymous with the Creative Content sector and accounts for 70% of the value and estimated potential growth potential of the Creative Industries generally in the UK.[1]

In terms of its Global standing, the UK is well regarded as the leader in several sectors and generally has a reputation for excellence on the world stage, consistently in the top three achieving countries. The UK specifically:

- Has the largest producer of TV and radio content in Europe, with only the US generating more value from TV exports;
- Is also second only to the US in the global film market, with increasing box office receipts: 30 of the top 200 films at the world box office in 2001 – 2007 were based on stories and characters created by British writers, generating £14 billion at the worldwide box office;[2]

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

[2] Statistical Yearbook, UK Film Council 2009.

- Has the largest Publishing industry in Europe;
- Has the largest number of Content for Computer Games studios in Europe and is the third largest producer in the world;[3]
- Leads the world's ranking for advertising excellence.

Please see **Annex B** for further detail for each sector.

1.1 An Overview of Current and Future Skills Priorities

Including London, England and its regions host the major proportion of the workforce who form the Creative Media sector. As such most of the key recommendations in the UK Strategic Skills Assessment (SSA) apply to England and this report should be read in conjunction with the full UK SSA.

1.2 Research and Data

The analysis in this document is based on data and information from a number of sources. This includes sector-endorsed primary research from Skillset and as far as possible secondary data sources such as the Office of National Statistics' Annual Business Inquiry (ABI), Labour Force Survey (LFS) and Inter-Departmental Business Register (IDBR); the DCMS Creative Industries Economic Estimates Statistical Bulletin.

This work recognises the limitations of official data sources that rely on Standard Industrial and Standard Occupational Classifications for the Creative Media industry, key elements of which are not served well by the classifications or the data that rely on them. Further detail on the limitations is provided in **Annex A**, but in brief:

- Key elements of the Creative Media industry sit in broad classifications that include activity outside of Creative Media preventing any discrete and crucial analysis e.g. Interactive Content Design, Content for Computer Games and Facilities.
- Official data sources to a greater or lesser extent systematically exclude the increasing freelance labour pool required to create and distribute the creative content upon which our 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.

[3] Raise the Game, NESTA, December 2008.

2. What Drives Skills Demand?

2.1 Contribution of the Sector

The UK has the largest creative industry in the world relative to GDP, and is a world leader in culture and media, consistently in the top three achieving countries.[4] At the heart of this industry is the Creative Media industry which comprises of a diverse number of market sectors, from television, radio, film and Publishing through to Content for Computer Games and photo imaging. Recent figures suggest that the UK's Creative Media industry employs around half a million[5] people, and contributes around 5.2% of UK economic output (or around £60billion), making it the largest in Europe.[6]

Consistent with the whole UK picture, the Creative Media industry also forms a significant part of the English economy and is recognised as being a sector of key strategic importance by the Government in their analyses of the growth potential of the digital industries.[7]

Skillset estimates that around 420,000 people work in Creative Media in England, 89% of the total workforce, a statistic that underlines the sector's overall significance.[8] Annex A provides more detail on the contribution of each sub-sector to this estimated total within the context of the Skillset footprint. It shows that the largest sectors in England in terms of workforce are Publishing with 172,000 people; photo imaging with 44,000, Television with 43,000 and Facilities with 41,000.[9]

In the decade to 2006, the Creative Media industry across the UK enjoyed unprecedented growth. At a UK level however, the recent recession seems to have hit many sub-sectors within the Skillset footprint hard. Noticeably however, the data in Annex A suggests that both Interactive Content Design and Television have shown

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[4] Technology Strategy Board Creative Industries Strategy 2009-2012, Technology Strategy Board (2009)

[5] Skillset (2009) Employment Census (all creative sub-sectors excluding Film Production, Photo Imaging, Publishing), secondary analysis of unit lists for feature Film Productions (80 minutes or longer and minimum budget of £500K) involving UK based crew that were shot during 2006 (Film Production), and Labour Force Survey April - June 2009.

[6] Nesta Annual Review February-09, p22

[7] 'Digital Britain Final Report', DCMS June 2009.

[8] Skillset (2009) Employment Census (all creative sub-sectors excluding Film Production, Photo Imaging, Publishing), secondary analysis of unit lists for feature Film Productions (80 minutes or longer and minimum budget of £500K) involving UK based crew that were shot during 2006 (Film Production), and Labour Force Survey April - June 2009.

[9] Skillset (2009) Employment Census (all creative sub-sectors excluding Film Production, Photo Imaging, Publishing), Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, and Labour Force Survey April - June 2009.

substantial employment growth since 2006/07 – although the latter has been shown to have suffered very recently due to recession linked falls in advertising revenue. [10] Recent data suggests that jobs appear to have been lost from the Publishing, Radio and Content for Computer Games sub-sectors in England since 2006/7 although it is unclear as yet to what extent these findings are directly related to the recession.[11]

Estimates show that there are around 15,695 businesses operating within the Creative Media sector in the UK[12]. Geographical detail is missing from official data sources but evidence from Skillset research has shown that around 87% of companies (excluding cinema exhibition, film production and publishing firms) are based in England13. This equates to approximately 13,700 businesses operating within the Creative Media sector in England14.

Most fall into the small to medium size enterprise (SME) category since 15 the Creative media economy is characterised by many small firms.16 Only four percent of companies in Creative Media have more than 50 employees.17 The industry in England is also heavily reliant upon freelance workers – which make up around 34% of the Creative Media workforce across the UK. Given the proportion of the workforce who live and work in England this is also likely to be representative of the English workforce as well.18 This firm size can pose some challenges.

Firstly, in what is now a global economy it can be difficult for smaller or even medium sized companies to keep up to date with technology and market developments to

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

[11] Ibid

[12] ONS March 2009. Key elements of the Creative Media industry sit in broad classifications that include activity outside of Creative Media e.g. Interactive Content Design, Content for Computer Games and Facilities and are not included in this estimate.

[13] Skillset (2006) Employment Census and Skillset (2007) analysis of Experian. Figures exclude Cinema Exhibition, Film Production and Publishing.

[14] Excludes businesses in some Creative Media sectors e.g. Interactive Content Design and Content for Computer Games. See Annex A for more details on the limitations of official data sources.

[15] Skillset (2006) Employment Census, and Skillset (2007) analysis of Experian .

[16] Nesta Annual Review February-09

[17] Ibid. Although it should be noted that 35% of the workforce are employed in very large companies (employing more than 200 people).

[18] Skillset (2009) Employment Census (all creative sub-sectors excluding Film Production, Photo Imaging, Publishing), Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, and Labour Force Survey April - June 2009.

capitalise on globally driven opportunities.[19] Indeed perhaps partly in response to this, the global picture in recent years has been one of market concentration with the emergence of large media multinationals (such as Sky and Sony) with broad and ever expanding interests across a number of media sectors, genres and platforms.[20] Secondly, it is known that both freelancers and small companies in relative terms find it more difficult to invest in skills development.[21] All this emphasises the important role played by the public sector – working with the industry – to facilitate access to high quality information, advice and education and training provision for the entire Creative Media workforce.

The Creative Media industry in England is reliant on a wide range of occupations from creative and productive roles through to administration and commercial activities. Table 1 provides a breakdown of employment by occupation in England.

Table 1 Occupational Breakdown - Creative Media industry in England[22]

OCCUPATIONAL GROUP	**Total (%)**
Creative Media (excl. Publishing)	
Strategic Management	5
Creative Development	2
Production	11
Legal	1
Broadcast Management	3
Broadcast Engineering and Transmission	3
Editorial, Journalism and Sport	5
Content Development	1
Art and Design	9
Animators	4
Costume/Wardrobe	1
Make Up & Hairdressing	1
Camera/Photography	10
Lighting	2
Audio/Sound/Music	3

OCCUPATIONAL GROUP	
Publishing (UK data only)	**Total (%)**
Managers and Senior Officials	25%
Professional occupations	7%
Associate Professional and Technical	36%
Administrative and Secretarial	12%
Skilled Trades Occupations	4%
Personal Service Occupations	0%
Sales and Customer Service Occupations	5%
Process Plant and Machine Operatives	3%
Elementary Occupations	8%
Total Publishing	100%

[19] Creative Industries Technology Strategy 2009-2012

[20] For example, Sony (Games, Music and Films); Universal (Music and Films); NewsCorp (Publishing, TV, Film, Interactive Content Design and Film)

[21] http://www.hm-treasury.gov.uk/leitch_review_index.htm

[22] -- denotes a figure less than 0.5 but greater than 0. 'Publishing' occupations shows only UK data (no comparable 2009 data is yet available for England only). Figures for Film Production are all drawn from Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

Transport	--
Studio Operations	--
Technical Development	3
Editing	3
Laboratories and Imaging Services	5
Manufacture	1
Servicing	1
Retail and Exhibition	11
Libraries and Archives	2
Distribution, Sales and Marketing	2
Business Management	13
Other	3
Total Creative Media (excl. Publishing)	100%

Sources: Skillset (2009) Employment Census (which excludes freelancers available to the workforce but not working at the time of the Census), Skillset (2007) Photo Imaging Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey Note: Data for Publishing is UK only and has been taken from the Labour Force Survey July-September 2009.

2.2 Product Market Structure

2.2.1 Overview

The market is dominated by a few larger firms in Publishing, Film Production, television broadcast (including the BBC, a public sector broadcaster and Channel 4 which has a public value remit in addition to a commercial remit), and the other Creative Media sectors. Beneath these firms sits a long tail of small and medium size enterprises.

2.2.2 Innovation

One of the key elements asked of any market structure and associated support systems are the levels of innovation that they can deliver. Creative Media is considered to be one of the UK's most dynamic sectors in terms of innovation and this has been reflected in recent years in impressive growth rates - outperforming UK industry rates as a whole[23] Moreover, the Technology Strategy Board has asserted that the Creative Industry – at the heart of which are the Creative Media sectors - is an important stimulator of innovation in the wider economy, via firms they work with as partners and/or suppliers.[24] Crucially too, the industry is seen as an essential driver of UK productivity in the recovery from recession. [25]

[23] Nesta Annual Review February-09, also Creative Industries Technology Strategy 2009-2012

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

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

Technological advancements lie at the heart of the Creative Media industry's dynamism in recent years. Indeed it has been argued technological developments have blurred the boundaries between different creative industry sub-sectors. Businesses and markets, which traditionally had little in common, now find themselves facing common challenges.[26]

The availability and mobility of broadband technology and the interactivity offered by Web 2.0 are just two of the ways that have revolutionised the way individuals consume Creative Media content. Crucial to meeting this demand, and therefore central to the success of the Creative Media industry in England, is the need to recognise that traditional supply side approaches are being superseded by new business models. Traditionally, sector incumbents worked within tightly defined supply chain 'roles'. Businesses whose domain was 'content creation' operated distinctly from others involved in 'distribution' while those in 'retail/dissemination' would operate separately from either. Increasingly however in many sectors this purely linear business model is giving way to a much more inter-woven environment where products or 'created content' are 'consumed' across a variety of outlets and platforms. New business models emphasise an approach where creative content is conceived, published, distributed, advertised and consumed digitally. Moreover, product and market information flows to and from all elements of the model allowing the rapid shaping of new content.

Worryingly, the recent European Commission Digital Competitiveness Report 2009 casts doubts on the UK's current performance in some of these aspects.[27] The authors noted that while the UK scores particularly highly in terms of 'eCommerce', with the highest proportion in Europe of enterprises selling online, it scores extremely poorly in all of the report's 'eBusiness' indicators including: sharing information electronically with customers / suppliers; exchanging business documents automatically; sending / receiving e-invoices; and using applications for integrating internal business processes.

2.2.3 Digital Britain

More than any other force, new digital technologies will shape innovation, products and business supply models across Creative Media in England over the next decade.

[26] Creative Industries Technology Strategy 2009-2012

[27] Europe's Digital Competitiveness Report, Commission of the European Communities, August 2009

Digital Britain sets out the UK Government's strategic vision for the UK's digital economy. The aim is to ensure that the UK is at the leading edge of, and best utilises, global developments in digital technologically. The agenda is ambitious, spanning digital infrastructure, investment and participation.

At the skills level this means:

- Developing the pools of technology and content professionals who create new digitally based systems and populate those systems with content valued by consumers from all spheres of the global economy;

- Exploiting the commercial opportunities afforded by digital technology by increasing the number of technology-capable business people, who understand the strategic implications of technology and can maximise its value through innovate approaches that increase productivity and competitiveness;

- Achieving improvements in the IT user skills of individuals across the public, private and voluntary sectors such that skills levels allow exploitation of the new digital technology.[28]

2.3 Employment Profile

Efforts to support skills developments in the Creative Media industry in England will be shaped by the employment profile of the workforce. Table 2 presents data on the employment profile of Creative Media at the English and UK level.

Table 2: Employment Profile for Creative Media Industry in England

	Creative Media Industry	
Characteristic	England	UK
16-34 years[29]	41%	42%
35 years and over[30]	59%	58%
Female[31]	38%	42%

[28] e-Skills UK, Skillset & Creative and Cultural Skills (2009), Strategic Skills Assessment for the Digital Economy.

[29] Skillset (2008) Creative Media Workforce Survey, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey and LFS Apr-Jun 2009.

[30] Ibid

[31] Skillset (2009) Employment Census, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey and LFS Apr-Jun 2009

BAME[32]	6%	6%
Disabled[33]	8%	8%
Graduates[34]	54%	57%
Freelance[35]	25%	34%

The data suggests that the Creative Media industry in England is characterised by:

- A middle-aged and older workforce**:** 11% of the Creative Media workforce in England are aged 16-24, 30% 25-34; 37% 35-49 and 22% over 50 years of age. This is particularly true of Photo Imaging where some 72% of the workforce is over 35; Publishing where 60% are over 35 and in Film Production and the audio visual sectors the figures are 58% and 56% respectively.[36] Given the informal nature of much recruitment into the sector the danger is that a cohort of experienced workers will soon come to retirement at the same time and the new supply of workers will not have the knowledge and skills to replace them. For an industry whose worth is based on the perceived quality of its output that is a major risk.

- Relatively low female, BAME and disabled percentages: Representation of women is lower in Creative Media in England than the UK as a whole (38% compared to 42%).[37] BAME and disabled figures are the same as the UK data – both relatively low.[38] Again variations by sub-sector are likely to be considerable: representation of women in the Publishing sector much higher (49%) than Audio Visual (28%).[39] Skillset has shown at the UK level a trend of falling female participation generally in the sector (which runs counter to trends in the wider UK economy). Further research suggests that the representation of older women maybe lower still and

[32] Ibid

[33] Skillset (2008) Creative Media Workforce Survey, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey and LFS Apr-Jun 2009

[34] Ibid

[35] Skillset (2009) Employment Census, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey and LFS Apr-Jun 2009.

[36] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey 2008, Skillset (2007) Photo Imaging Workforce Survey and LFS Apr-Jun 2009.

[37] Skillset (2009) Employment Census, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey and LFS Apr-Jun 2009.

[38] Ibid

[39] Publishing is LFS Apr-Jun 2009 and Audio Visual is Skillset (2009) Employment Census

notes as an explanation difficulties in balancing the long and unpredictable hours with raising a family.[40]

Across the UK, fewer work in the Creative Media industry from a Black, Asian or Minority Ethnic Background (BAME) than within the economy as a whole (6% compared to 9%). Based on UK data BAME representation in 'Film Production' sectors is likely to be higher on average while representation in 'photo imaging' sectors is lower.[41]

Table 2 shows that 8% of the English Creative Media workforce consider themselves to be disabled (as defined by the Disability Discrimination Act) below the UK economy as a whole (13%). Representation in 'Film Production' sectors is particularly low (3%).[42]

- A highly qualified workforce: 54% of the English Creative Media workforce was found to have reached at least the graduate/level 4 qualification. This compares positively with the 35% of the population of working age that have attained that level across the UK economy as a whole. The figure is particularly high for the Audio Visual sectors at 73%.[43]

- A strong reliance on freelance and cross sector workers**:** [44] More than one in three (34%) workers in the UK Creative Media workforce is freelance[45]. This though may be a conservative estimate since the full implications of the recession on freelancing (e.g. via enforced freelancing) are not yet fully understood. Many sectors of Creative Media are characterised by higher still levels of freelancing, especially those areas most closely involved in the production process for example

[40] Skillset (2006) Balancing Children and Work in the Creative Media Industries Skillset (2009) Employment census found around 47% of the Creative Media workforce work between 9 and 14 hours each day.

[41]Skillset (2008) Creative Media Workforce Survey Skillset/UK Film Council (2008) Feature Film Production Workforce Survey 2008, Skillset (2007) Photo Imaging Workforce Survey and LFS Apr-Jun 2009.

[42]Skillset (2008) Creative Media Workforce Survey.

[43] Skillset (2008) Creative Media Workforce Survey, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey and LFS Apr-Jun 2009

[44] 'freelance' = contract of less than 365 days and 'employee'=contract of 365 days or more.

[45] Skillset (2009) Employment Census, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey and LFS Apr-Jun 2009

independent production for radio (63%), photo imaging (61%), and independent production for TV (44%).[46]

- Similarly, many in the workforce use their skills across a number of sub-sectors. This is particularly pronounced in outside broadcast, corporate production, post production and Animation.[47]

2.4 Recruitment at Entry Level Onwards

The oversupply of potential new entrants – a characteristic of many sectors within the Creative Media industry – is a central factor. Symptomatic of this oversupply is that a high percentage of new entrants are undertaking voluntary (unpaid) work as a means of gaining a foothold in the industry: 45% of the UK workforce (and 43% of the 16-24 year old UK workforce) surveyed had undertaken unpaid work at some time in their career. In some sectors like content creation and independent TV production the percentage figure is much higher.[48]

High levels of unpaid work may partly reflect the inherent culture of the industry. The Skillset (2008) Creative Media Workforce Survey found that only a third of new entrants entered the industry via formal recruitment processes such as job adverts or recruitment agencies. Ad hoc or informal methods like 'word of mouth' and via 'friends and family' formed the majority of approaches.

It has also been argued that the recent recession may have resulted in an increase in unpaid work, with companies increasing their use of volunteers in roles that would otherwise have been taken by paid staff. However, this finding may have related more to existing staff 'working for free' rather than companies shifting recruitment strategies to new entrants (who might work for free). Skillset also found evidence that companies in the recession had become particularly averse to recruiting at new entrant level - no matter how qualified the candidate may be – because they lacked experience. [49]

However, it should be noted that not all Creative Media sectors are oversupplied. Notably skills shortages exist in areas like Production, Engineering and the more craft

[46] Skillset (2009) Employment Census
[47] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing.
[48] Ibid
[49] Skillset (2009) From Recession to Recovery. Based on a sample of 262 employers. These are all UK figures.

orientated occupations while oversupply is most pronounced in the most general Creative Media roles.[50] A lack of information on the range of occupational roles may be a contributing factor. Employers report that current new entrants have little knowledge about 'working in the Media' and even less about how to enter the sector. This despite a marginal increase in the proportion of the Creative Media workforce receiving structured careers advice - 28% in 2005 (9% receiving advice from Skillset) compared to 29% in 2008 (with 12% receiving advice from Skillset).[51] It is unclear whether the problem is a lack of good quality information or a lack of engagement and/or communicating this information to potential entrants. Notably however in 2008 Skillset reaffirmed their commitment to improving industry information for new entrants and specifically, stressing the wide range of job roles on offer (and not just the obvious few roles).[52]

Research does suggest that both women and BAMEs within the workforce are more likely than men and white people, respectively, to have undertaken unpaid work.[53]

2.5 Retention

A low participation rate for females aged 25-34 hints that losses from the industry are high for women either starting a family or with young children. More generally, with the industry characterised by an oversupply of labour in some sectors, informal and flexible working (informal entry routes, use of freelancers and so on), and technological and consumer tastes driving cross sector and cross industry working, then some losses might be deemed inevitable. However, in the time of recession – when speed of recovery might be linked closely to the talent available in the work pool – such a finding would be all the more acute.

Of course, employers may respond by choosing to attract skills from other sectors. In the case of generic skills like commercial and business administration this might be beneficial to the industry as a whole. However, for specific technical skills this is not an option. In these cases employers may choose to strengthen an employee's ties with the industry (building loyalty, increasing the opportunity costs of leaving *et cetera*) by presenting a strong career path built around continuing professional/skill developments.

[50] Skillset (2006) Employers Survey

[51] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing

[52] Ibid

[53] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing.

Many though remain sceptical. Training staff means lost productivity in the short term, it requires replacements to cover their duties, and runs the risk that the employee will leave the industry anyway (indeed armed with new skills and qualifications the employee may be more attractive to other sectors).[54]

New technology and in particular the new digital context, is also changing the roles of people within the Creative Media industry. Given this context supporting staff to improve their skills and help them meet the new realities brought about by technology change, will be crucial. On the agenda will be improving access to high quality but affordable training, for example: by accrediting training providers that meet Skillset's required standards.

Finally, it should be stressed that sole traders and freelancers are associated with lower levels of training compared to the permanent workforce.[55] In addition to difficulties identifying the 'right kinds of courses', the opportunity costs (the lost income) of undertaking training are undoubtedly a factor.

2.6 The Economic Situation

Skillset research into the effects of the recession reports that more than 4 out of 5 UK Creative Media companies say their business has been affected by the recession in the year to September 2009.[56] Most reported fewer commissions and budget reductions.[57] Television has been reputed to have been affected in 2009 by a downturn in advertising revenues and shift to online advertising[58] and the Creative Media sector overall is struggling with reduced revenue and difficulties in accessing finance.

Over one third of companies surveyed in England had made or expected to make some staff redundant as a result of the recession.[59] It might be expected that such redundancies within the industry will have led to an increase in the pool of freelance workers. Some 23% of the surveyed companies from England, compared with 13% from Wales, Scotland and Northern Ireland said they had increased their use of freelancers. More will be known following publication of the Skillset 2010 survey.

[54] Skillset (2008) Creative Media Workforce Survey, Skillset UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey.

[55] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing

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

[57] ibid

[58] ibid

[59] Ibid

However, it is noticeable that a quarter of companies reported issuing shorter contracts for freelancers and over one third of companies have not renewed some freelance contracts as a result of the recession.[60]

Furthermore, Skillset report that smaller businesses have been slightly less affected than larger ones. One hypothesis for this result is a cultural difference between larger companies and small/micro businesses, the latter being driven less by profit and more by a ‘passion’ for the work.[61]

However, all indices point to growth in the medium term; the National Endowment for Science, Technology and the Arts (NESTA) analysis for 2009-2013 points to growth as businesses take advantage of digital technologies to develop new business models. Indeed, historically, recessions have played a role in triggering new business start-ups. The 1990s dot.com boom and crash resulted in the birth of the blogosphere and new technology-enabled services like eBay and Skype, largely because many ‘technological IT wizards' were made redundant and had time to experiment and create. Technology is an important driver of innovation and innovation is a way of life for the Creative Media industries, which show significantly higher values of innovation than other UK enterprises – (70% as against 55%)[62].

Such forecasts may be somewhat aspirational: they are clearly based on embracing new technologies and markets using new business models. Furthermore a key caveat is that the right governmental support elements are in place for the most innovative and potentially high growth industries such as in the creative economy.[63]

2.7 Opportunities and Challenges

The current global economic, technological and social context suggests a number of key opportunities and challenges for the English Creative Media industry, including:

- Recovering from the Recession: The recession continues to have a negative impact and substantial cuts in the workforce have been made in some sectors. However longer term predictions for the industry are for strong growth based primarily upon

[60] Ibid

[61] Ibid

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

[63] Ibid p4

opportunities for distributing content (multi-platforms), and the role Creative Media plays in supporting wider sectors of the English economy;

- Retaining talent within the industry: The Creative Media industry in England needs to retain its highly skilled people. Losses from the industry reduce productivity and act as a disincentive to employers to support training;

- Meeting the demand for skills: technological convergence through growing digitisation is creating an array of approaches and channels for the commercialisation of content, products and services. Increasingly sophisticated knowledge and skills are required to best exploit these opportunities. In response, skills advisory and funding services need to be efficient and avoid the sorts of complexity that hinders employer engagement.[64] Resources will need to be well targeted, emphasising the need for up-to-date and accurate labour market intelligence;

- Developing new ways of doing business: traditional approaches and supply chain relationships are being replaced by new business models where creative content is conceived, published, distributed, advertised and consumed digitally. A key result of this process has been the fragmentation of markets away from TV, radio and newspapers affecting, in particular, their advertising revenues. However, key questions are being asked of the digital technology: not least in developing new approaches to monetising content in the context of threats to intellectual property from piracy and illegal downloading;

- Embracing and building upon user-led innovation: User generated content and other social media sites have shown remarkable growth in recent years. The next phases appears to be the commercial exploitation of these platforms, including improving and professionalising the quality of content;

Globalisation: While the EU and US will continue to be the Industry's main export markets in the short term, longer term, new markets within the emerging economies of China, India and Brazil will increasingly be a focus. Skills within the industry will need to be geared to meet to meet increased demand for both products and expertise. Similarly, progressive economic integration of national economies will offer

[64] UKCES - Mission to simplify, interview with Chris Humphries Head of UKCES, HR Magazine, August 2008

opportunities for generating international supply chains, alliances and partnerships. The price paid for this of course is the potential for increased competition domestically from foreign organisations across all media, and in all formats.

3. Current Skills Needs

3.1 Introduction

This section provides an analysis of the Creative Media Industries' current skills needs by sector and an analysis of supply available to meet that need.

3.2 Television

Overview

Television is a major sector within the Creative Media industry in England. An estimated 43,000 people work in Broadcast TV in England.[65] The BBC is the largest employer and producer of the Public Service Broadcasters (PSBs). Overall, 27% of the TV sector in England works freelance (though figures vary from 44% in Independent Production to 11% in Cable and Satellite TV). The sector also draws on the Facilities and Animation sector for support.[66] Overall 40% of the English TV workforce is female and 10% from a BAME background. This rises to 48% of the workforce in terrestrial TV being women and 12% of BAME origin in cable and satellite.[67]

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.

Despite this, a number of factors suggest a growing importance for the TV sector. 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 Production sector;

[65] Skillset (2009) Employment Census

[66] ibid

[67] ibid

- Regulatory and other commitments to increase output outside of London

Demand for training by the TV sector workforce across the UK 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 training was in ‘editing’ (11% of respondents), software specific to the industry (16%) production (10%) and camera training (8%). England’s television sector workforce will almost certainly mirror these proportions.[68]

Skills Shortages

- 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 training need by 14% of the workforce[69]
- 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.[70]

Current Skills Gaps

- Training undertaken focused heavily on meeting compliance and regulatory obligations such as health and safety and child protection. Over half (55%) of the UK TV workforce had received some training. 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 training compared to just 37% of freelancers. [71]

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

[69] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing.

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

[71] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing

- On average the UK TV workforce received 5.1 days training. Individuals working in independent production received the greatest number of days training on average (5.5 days) compared with an average of 4.9 days for both the cable and satellite and broadcast UK TV workforce. Freelancers received an average of 3.7 days, compared to the 5.9 days received by employees. [72]

- The UK TV workforce were most likely to have received training in health and safety (19%), specific software applications (16%), editing (14%), camera (11%), production (10%) and ethics/safeguarding trust (9%). [73]

- Employers noted a need for higher level technical skills for assistant producers for example and broader transferable skills ('T-skills') particularly in relation to core business and entrepreneurial skills[74]

Future skills

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.

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.[75] Underpinning these skills areas, high quality management skills will increasingly be in demand, including:

- Asset exploitation and management;
- Risk management;

[72] Ibid

[73] Ibid

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

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

- 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 Industry processes, products and services.[76]

3.3 Film

Overview

The Film sector in England enjoys relatively strong levels of workforce diversity: 47% of the Film Production workforce is female.[77] 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.[78] The sub-sector has a 10% representation of BAME groups across the English Film sector (9% in Film Production and 12% in Film Distribution).[79] Around 3% of the English Film Production sub-sector are disabled and 42% of the English workforce is under 35 years of age.[80]

The sector also appears to be holding up in face of pressures from the recession. Despite a drop in advertising budgets and a 15% fall in spending on UK productions in the first 9 months of 2009, inward investment was at an all time high, while cinema going remained buoyant.[81]

The nature of the Film Production sector raises concerns surrounding retention. The Film Production sector in England is typical of the sector as a whole with high levels of freelancing – 87%.[82] 86% of the surveyed English Film Sector workforce stated that they had received no training over the previous year. [83]

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

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

[78] 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.

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

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

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

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

[83] Ibid

Skills gaps and shortages

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 training in the English Film Production sub-sector. 17% of the workforce undertaking training in the last 12 months, received this type of training. Art/Design stood at 14% and Camera and construction were undertaken by 12% of those receiving some training. Overall, freelancers tended to undertake less training than those permanently employed, though much of this finding can be put down to regulatory/compliance and business administration training being mainly undertaken by permanent workers. For specialist technical areas, the percentages trained were broadly similar.

Of the English Film Production sector 52% stated they needed training in the future. Of these, 19% mentioned they were looking to up-skill on core business skills including management and leadership – (including finance, business skills including management and leadership, marketing and management). Interestingly, the percentage of freelancers requesting training in core business skills including management and leadership was much higher than the percentage that had recently received training this area. Some 16% required training in art/design, 13% camera, 13% general computer/administration skills and 8% technical skills in editing/post production/digital production/visual effects. [84]

Further research on skills gaps and shortages has revealed that current generic skill needs in the context of the film sub-sector included:[85]

- 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).

Respondents also anticipated future skills needs in the following areas:[86]

- 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;

[84] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.
[85] Skillset (2009): Film Sector Employers Skills and Training Needs in Production, Distribution and Exhibition
[86] ibid

- 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);

It is anticipated that future skill needs within film will centre on developments in new digital technology.[87] 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 training around new business models

3.4 Radio

Overview

The radio industry consists of around 350 organisations, independent stations and other companies comprising BBC Radio, around 120 commercial radio groups and independent stations, 180 community radio stations and up to 50 independent production companies for radio. It employs a workforce estimated at 14,900.[88] England hosts 84% of the radio workforce.[89]

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

[87] ibid

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

[89] Skillset (2009) Employment Census

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

The sector's employment profile in England shows a more diverse workforce than that found in other parts of the Creative Media Sector with the second highest ratio of female workers at 45% of any sector (though that falls to just 30% in the independent sector). Approaching one in ten of the Radio workforce are BAME. Overall, 17% of the workforce is freelance, but substantially more in independent production (63%).[90]

Key developments and trends in the UK radio market include:

Falling demand and revenue: average weekly listening hours fell every year between 2003 and 2008, and in total by 9%.[91] Radio's share of advertising has fallen by more than one-fifth in this period.[92]

- Increased competition: across the UK with 9% more stations in the UK in 2008 than 2003.[93]
- 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.[94] 30% of UK households were thought to have DAB Digital radio in 2008 compared to 2% in 2003.[95]
- 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.

[90] Ibid

[91] OFCOM (2008) The Communications Market: Radio

[92] ibid

[93] OFCOM (2008) The Communications Market: Radio

[94] OFCOM (2008) The Communications Market: Radio

[95] OFCOM (2008) The Communications Market: Radio

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.

Skills Shortages

The 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.[96]

Skills Gaps

Two thirds (65%) of UK Radio sector employers were found to carry out some form of training or development for permanent employees.[97] The figure was lower (52%) for freelancers. The most common mode of training for freelancers delivered by Radio employers is through in-house training sessions carried out by another member of staff (96%). Structured support on the job by another member of staff is also a common method of training freelancers (87%). [98]

Overall, 51% of the UK Radio workforce were thought to have unmet training needs.[99] . Eight in ten (79%) Radio employers offer work experience or work placement posts to potential new entrants which is larger than the proportion of Creative Media employers as a whole who do this (67%). Almost half (48%) of radio employers said that they were prevented from undertaking training/development more often. Of this group, the main reasons given for the problems faced with training was that it is too costly (78%) and that they do not have enough time (51%).[100]

3.5 Animation

Overview

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

[97] Skillset (2006) Employers Survey

[98] Ibid

[99] Skillset (2009) Current and Future Skill Needs in the UK Television and Radio Industry

[100] Skillset (2006) Employers Survey

Animation is a strong sector within the Creative Media industries with Nick Park's Aardman Animations trailblazing a global reputation for the quality and craftsmanship of UK animators in recent years. The Animation sector employs around 3,400 people in England of which 45% are freelance, 16% female and only 2% from a BAME background.[101] The Animation workforce has 20% of the total UK workforce in London. However the greatest concentration is in the South East which has 38% of the total UK workforce.[102] In all England hosts 89% of the Animation workforce.

Animation underpins many other sectors of the Creative Media industries – providing visual effects for post production, animated films and television. However, the sector's reliance on other Creative Media industries such as television, means it is susceptible to changes in those industries. Furthermore, the UK sector is seeing competition from low cost but increasingly highly quality producing international competitors from countries such as Malaysia and from tax-friendly regimes in other countries. [103]

Skills Needs

Growth in computer generated Animation has opened up new markets but not adversely affected traditional techniques such as stop frame Animation. 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.[104] Indeed Animation productions made in the UK have more than halved in the last five years.[105]

This is giving rise to demands for a highly skilled but flexible workforce able to adapt to the growing market for online content. Increased outsourcing is also likely to reduce the demand for animators and increase the demand for pre-production artists. The need for technical skills such as software development and core business skills including management and leadership 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 commission for higher cost productions are being constrained by ever tighter budgets. [106]

[101] Skillset (2009) Employment Census

[102] Skillset (2009) Employment Census

[103] http://news.bbc.co.uk/1/hi/entertainment/8225954.stm

[104] Ofcom and PACT

[105] http://news.bbc.co.uk/1/hi/entertainment/8225954.stm

[106] http://www.otakunews.com/article.php?story=1548

Skill Shortages

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.[107]

Skills Gaps

According to the UK data more than seven in ten (71%) stated they need training. [108]Some 47% of the sector had received training in the last year with 37 days training per head received. This is nearly twice as much training per head as the next sector and indicates what a resource intense industry Animation is. More than 50% of training fees were paid by the employer and 99% of those trained found the training of direct benefit. Over 65% of those employed in the sector are seeking training in areas identified as needed by the sector (see under skills needs above). The major barrier to training is the cost involved. [109]

3.5 Content for Computer Games

Overview

The sector in England employs 6,500 people with 3% being freelance, 6% female and only 3% from a BAME background. Historically the workforce has also tended to be relatively young.[110] Interestingly with 2,150 workers the North West of England has the highest concentration of games developers of all English regions followed by the West Midlands and East Midlands. [111]

Increasing competition from (often subsidised) international competitors together with increasingly low cost of entry places significant pressure on the sub-sector. At the UK level a lack of global scale publishers, limited access to finance and skill shortages have been identified as key barriers to sectoral growth.[112]

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

[108] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing

[109] Ibid

[110] Skillset (2009) Employment Census and Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing

[111] Skillset (2009) Employment Census

[112] 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*

Skills Needs

Competitive companies in this sector will be seeking to recruit and/or develop a mix of very high level skills in programming and computer science with more creative skills in games art and Animation. Commercial skills particularly in relation to negotiation, intellectual property, and online distribution –are also in demand, together with more traditional business skills including management and leadership such as those associated with managing 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.[113]

Skills Shortages

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. [114] UK games companies also recruit from those with generalist degrees, favouring 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.

Skills Gaps

Three fifths (59%) of the Content for Computer Games workforce had received some training, compared with 65% of the wider Creative Media workforce.

Those in Content for Computer Games received fewer days training 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 training in business skills including management and leadership (32%), management/leadership (30%), IT (24%), On-line/web design/Interactive Content Design/electronic games (15%) and specific software applications (14%). [115]

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[113] ibid

[114] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing and Nesta 2008 *Raise the Game: The competitiveness of the UK's games development sector and the impact of governmental support in other countries.*

[115] Skillset (2009) Employment Census

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 England has also benefited from immigration, particularly from eastern Europe.[116]

[116] Skillset (2008) Creative Media Workforce Survey .Figures exclude Film Production, Photo Imaging and Publishing and Nesta 2008 *Raise the Game: The competitiveness of the UK's games development sector and the impact of governmental support in other countries*

3.6 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 England has a workforce of around 41,000 people. [117] Over 30% of the total work as freelancers (rising to 41% in studio and equipment hire, 42% in other services for film and television and 48% for special physical effects) and the Facilities workforce has just 25% female representation. Though processing laboratories at 46% and special physical effects and the manufacture of AV equipment at 38% and 34% respectively are considerably higher. While post production at 11%, outside broadcast at 10% and Visual FX at 19% are lower. There is also 8% representation from BAME groups overall with a high of 17% in processing laboratories and a low of 4% in outside broadcast.[118] Though caveats should be made around the relatively small sample sizes in the census in the outside broadcast sub-sector.

In practice the sector is strongly London-centric. Some 80% of post production workforce, 92% of Visual FX and around 45% of studio and equipment hire and other services for film and televisions 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.[119]

Skills Shortages

Skillset has worked with the Facilities sector across the UK to create *First Post*, a training scheme designed for new employees of Facilities sector companies. [120]

[117] Skillset (2009) Employment Census

[118] Ibid

[119] Ibid

[120] 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

- Graduate new entrants in the visual effects sub-sector lacked basic computer, visual effects and specific software skills, people skills / team working skills and a lack of basic understanding of techniques, processes 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");* [121]

Skills Gaps

The UK wide review of the First Post scheme revealed:

- Skills shortages in the Visual Effects sub-sector workforce in relation to project management, people management, and basic administration;
- 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 training. However, there was also a level of distrust of management – many associating it mainly with cost cutting.

3.7 Interactive Content Design

Overview

Interactive Content Design covers a range of specialist companies and jobs including online (e.g. mobile internet, networking sites) and offline (e.g. mobile phone audio) content and technology, interactive television and others. The sector fulfils a key support function in the wider Creative Media industry as well as other industries. This role clouds measurement of the sector's output and importance - as Skillset note: Interactive Content Design is becoming more of a discipline than a sector.[122]

About 27,500 people work in the Interactive Content Design sector in England.[123] Just over three quarters of all jobs in the sub-sector are in 'online content'. In terms of employment profile, the sector has 21% of the workforce working as freelancers with only 6% of the total employed being women and a mere 5% coming from a BAME background. This shrinks to just 1% within the Other Interactive Content Design sub-sector.[124]

[121] Skillset Review of First Post scheme

[122] http://www.skillset.org/interactive/industry/

[123] Skillset (2009) Employment Census

[124] Ibid

Like the Content for Computer Games sector, the Interactive Content Design sector's workforce is also highly educated. Nine in ten (88%) has an undergraduate or postgraduate degree or diploma (the highest amongst all Creative Media sectors). [125]

Skills Needs

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 commissioned for dissemination across more than one platform.[126] In the future it is anticipated that technical software and website design skills and project management skills will be most needed.[127]

Skills Shortages

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.[128]

Skills Gaps

These findings seem to be mirrored within organisations; UK Interactive Content Design employers state that the most common skill gaps appear to be either in industry-specific 'transient' skills (such as specific software skills that continually need to be updated to keep up with developments/advances) or in higher-level business management skills and general understanding of the relevant sector.[129]

Around two thirds of the Interactive Content Design workforce had received some training over a twelve month period between 2007/08.[130] Over 50% of the Interactive Content Design sector wanted training[131], while 11% of the workforce in the broadcast, Facilities, Animation, Interactive Content Design and content for Computer Games sectors stated a need for training in online, web design, Interactive Content Design or Content for Computer Games.[132] Data suggest that amongst the web and internet

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[125] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing

[126] Ibid

[127] Ibid

[128] http://www.skillset.org/interactive/industry/article_6921_1.asp

[129] Skillset 2009 Interactive Content Design Sector Profile

[130] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing

[131] Ibid

[132] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing

sub-sector the most common areas of training received are on-line/web design/Interactive Content Design/electronic games (29%), specific software applications (19%) and legal (18%). In other sub-sectors as a whole, 25% of those trained in the 2007/08 received training in specific software applications. Regulatory/compliance training in ethics/safeguarding (25%) and health and safety (23%) was also relatively common. [133]

Over half (55%) of the Interactive Content Design workforce in the UK cited a training need in 2007/08, which was lower than in 2004/05 (70%). The most commonly cited training was on-line/web design/Interactive Content Design/electronic games (27%), specific software applications (22%) and business skills including management and leadership (17%).[134]

Training costs and time available seem to be the main barriers to take up.[135]

3.8 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 more than 44,000 people are thought to work in the sector across England, Photographers comprising the largest sub-sector.[136] Some 61% of the workforce are freelance.[137]

Skills Shortages

The small size of most Photo Imaging businesses means that recruitment to the sector is limited. One survey showed that only 5% of businesses interviewed stated that they had recruited over the previous 12 months. Moreover, few of these businesses anticipated a change in the number of staff their business employed in the following two years. [138] Against this background it is difficult to draw conclusions on the skills of new entrants.

[133] Ibid

[134] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing

[135] Ibid

[136] . Labour Force Survey Apr-June 2009

[137] Ibid

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

Skills Gaps

Across the industry as a whole in the UK, the most significant specialist skills gaps continue to be around the use of digital technology, knowledge of digital workflow and management of digital assets.[139] In meeting these skills gaps the sector is likely to draw heavily upon informal approaches to training - including on the job mentoring and in-house training.[140]

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

The same Survey also revealed that 57% of the workforce had identified a future training need. Some 25% cited as a reason for training that they wanted to keep up with the field and improve their effectiveness at work. Of those 60% stated a need for 'specialist software training'. The next most frequently identified were 'business skills including management and leadership' (15%) and 'minilab and printing skills' (13%). [141]

3.9 Publishing

Overview

The Publishing sector includes book and newspaper Publishing, Journals and Periodicals, News Agencies, Publishing of Directories and Mailing Lists and other Services and Activities. There are 172,000 people employed throughout Publishing in England of whom 48,000 work in newspaper Publishing, 39,000 in journals and periodical Publishing, 36,000 in book Publishing and 31,000 in other Publishing. Some 12% are freelance, 48% female and 5% from a BAME background. Just 5% of those who work in newspaper Publishing are freelancers rising to 19% in book Publishing.[142]

The majority of establishments in the sub sector are small with 85% having 24 employees or fewer and 95% fewer than 100 similar to the size distribution for all

[139] Ibid

[140] ibid

[141] Skillset (2007) Photo Imaging Workforce Survey

[142] Labour Force Survey April - June 2009.

industries in England. There are only 204 employers (124 in newspaper Publishing alone) who employ more than 200 employees.[143]

Across England 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.[144] 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.[145] 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.[146] Elsewhere, while book sales have held firm the overall value of sales has fallen.[147]

Skills Shortages

Overall in terms of new entrants evidence points to skill shortages in relation to:[148]

- 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;

[143] National Employers Skills Survey 2005, The Learning and Skills Council in partnership with the Department for Education and Skills and the Sector Skills Development Agency, London

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

[145] ibid

[146] Deloitte Media Predictions 2009

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

[148] ibid

- 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.

Skill Gaps

Around 12% of establishments report skills gaps. [149] Similarly, for incumbent staff the available evidence points to skills gaps relating to:[150]

- Team working skills
- Technical skills including web editing;
- Marketing (especially innovative e-marketing);
- Transferable skills including business skills including management and leadership and ICT;
- Innovation and creativity.
- Customer handling skills

3.10 Skills Supply

A proper mapping of skills supply is being undertaken by Skillset in 2010 and this work will enable a more rigorous analysis of the skills supply situation concerning the Creative Media sector in England. Initial research has indicated that there is a clear lack of consistency in the content of information used, but also in the analysis applied to it, the outputs generated, and the planning use possible with the outputs produced. There are gaps in existing information sources including consistent course details – particularly for short courses; quality and sector relevance of courses available; skills developed and specific content of some courses; value to learners, and tracking outcomes and impacts

A majority of information sources lack clear information at very basic levels – for instance a majority lack detailed information on attainment, completion, demography, student numbers, whole industry coverage, or that information is not readily available to those currently using it. There is a clear need for a consistent assessment and

[149] National Employers Skills Survey 2005, The Learning and Skills Council in partnership with the Department for Education and Skills and the Sector Skills Development Agency, London

[150] ibid

analysis of information sources firstly on education and training provision relevant to the Creative Media sector, and secondly on progression and student views;

3.10.1 Skills Supply: the Education System

The sector as a whole is also characterised by high levels of level 4 and above qualifications. Approaching three fifths of the sector in the UK (57%) have degrees and many in media related subjects.[151] This compares with just 27.3% of adults between 16 and 64 who held level 4 qualifications or above across the whole UK workforce in 2007.[152]

There are 13,000 media programmes at Further and Higher Education levels serving an estimated 50,000 students.[153] Although this provides valuable skills into the wider community, in terms of the Creative Media industries, too many courses produce graduates with insufficient specialisms to meet employer needs. Quite why the design of these courses is so far removed from what the industry needs is a matter of some concern. Skillset's English media academies certainly put an emphasis on industry-facing courses.[154]

Employers are also clearly keen to promote greater uptake of Sector Skills Council backed courses and accreditation services, which identify provision that best meet industry needs. This includes the Skillset Academies and the Skillset accreditation of degree programmes. Foundation degrees have also 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.

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

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[151] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey, LFS 2005 (Publishing total employed) and LFS Apr-Jun 2009 (Publishing permanent/freelance)

[152] Annual Population Survey, NOMIS. Residents aged 16-Retirement

[153] http://www.universitiesuk.ac.uk/Publications/Documents/Facts_creative%20sector09.pdf

[154] See http://www.skillset.org/training/san/

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[155] has been established to help rectify the gap of relevant careers information, advice and guidance for the Creative Media industries.

3.10.2 Skills Supply: Workforce Development

This report already highlights the fact that the Creative Media workforce in England is relatively highly qualified. Data from the Skillset's 2008 Creative Media Workforce Survey confirms that some 61% of those working in England had received training in the past 12 months.

Of those workers that undertook training of some kind, this was spread across a very wide range of topics. Most (13%) had undertaken Health and Safety related training, while other notable categories included Specific Software Application training (7%), Ethics (6%) and Writing and Scriptwriting (5%).

Those responding to the 2008 Workforce Survey were also able to point to a number of barriers to undertaking training. The reasons were varied, but the main ones included:

- Fees being too high (cited by 29%);
- Lack of available courses/training in their region (cited by 28%);
- Lack of available information on training (cited by 28%);
- Training held in inconvenient places (cited by 26%);
- Employers unwilling to pay (cited by 25%)[156].

The survey also suggested the types of future training required by the Creative Media workforce. Again, requirements were spread over a wide range of topics but the most popular courses cited were Specific Software Applications (9%), Editing (9%) and Directing (6%).

[155] www.skillset.org/careers.

[156] Survey respondents were able to select multiple barrier options.

3.10.3 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 4), 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[157].

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

Table 4: Diversity by Sub-Sector

Sector	% women	% BAME
Television	40	10
Terrestrial TV	48	11
Cable & Satellite Television	36	12
Independent Production (TV)	37	9
Radio	45	8
Broadcast Radio	46	9
Independent Production (Radio)	30	4
Other Content Creation	15	4
Commercials Production and Pop Promos	15	5
Corporate production	14	4
Animation	16	2
Archives & Libraries	16	4
Interactive Content Design	6	5
Online Content	6	6

Sector	% women	%BAME
Facilities	25	8
Post Production	11	6
Special Physical Effects	38	6
Studio & Equipment Hire	21	9
Manufacture of AV Equipment	34	4
Other Services for Film and Television	33	9
Processing laboratories	46	17
Outside broadcast	10	4
Visual FX	19	8
Film	47	10
Film Distribution	51	12
Film Production	41	9

[157] 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.

Offline Multimedia	6	0
Mobile Content	1	0
Other Interactive Content Design	3	1

Publishing	48	5
Photo Imaging	n/a	
Content for Computer Games	6	3
Games Development	7	3
Games Publishing	3	0
Games Development Support	3	19

The range of disabled people employed varies from sector to sector as well . Overall 8% of the English workforce is disabled with a high of 11% in Publishing being disabled and a low of 3% in Film Production. Interestingly more freelancers in most sectors were disabled than permanent staff. In Publishing this reached a peak of 25% of the workforce, but even in Photo Imaging and Audio Visual (which includes Broadcast, Facilities, Animation, Interactive Content Design and Content for Computer Games) the figures were 10% as against 8% of permanent employees and 6% as against 5% for permanent employees.[158]

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.[159]

[158] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2007) Feature Film Production Workforce Survey 2008, Skillset (2007) Photo Imaging Workforce Survey and LFS Apr-Jun 2009.

[159] Ibid

4. Anticipating What Lies Ahead

4.1 Growth continues as does freelance fragility

Certainly pre-recession forecasts suggested that the UK entertainment and media market would grow by 5.8% compound annual growth rate for the five years to 2012, to reach $152 billion[160]. However, since then, the Creative Media industries have been subject to significant challenges as set out earlier in this report. Given the turbulence, it is difficult to source reliable future estimates of industry spend and employment forecasts. In early 2009, NESTA released a forecast that, between 2009 and 2013, the UK Creative industries, including Creative Media, would grow on average at 4%, more than double the rate of the rest of the economy, and, by 2013, would employ 1.3 million people. This is a similar trend rate of growth as for the period 1997 – 2006. In this forecast, the Creative industries are expected to contribute £85 billion to UK GVA in 2013, up from £57 billion in 2006. Globally the creative industries grew by 8.7% between 1998 and 2005 and that growth rate is expected to continue once the recovery kicks in.[161]

This optimistic medium-term outlook is primarily due to the opportunities for innovation as increasing numbers of creative businesses take advantage of digital technologies to develop new business models, for example the digital distribution model which has been exemplified by the success of 'iTunes'[162].

Major events such as the US Presidential election and the Olympics of 2008 saw increased use of media but mostly digital media and on these occasions television dominated in terms of viewing figures and revenue[163], a phenomenon that is set to increase with major events in the short term for example the UK General Election 2010. To meet this heightened demand in terms of quantity i.e. the amount across the range of platforms and crucially in terms of the quality of and sophistication of content, our digital media industry needs the associated skills and this requires investment.

Many analysts predict that traditional incumbent companies will remain dominant, sometimes through acquiring companies with a strong digital presence[164]. The opportunities presented by developing technology may be beyond the scope of almost

[160] Global Media & Entertainment Outlook 2008-2012, PWC UK 2008.

[161] http://www.unctad.org/Templates/webflyer.asp?docid=9467&intItemID=1634&lang=1

[162] 'UK creative industry to drive significant growth to UK economy', Press release, NESTA 19/02/2009.

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

[164] Strategic Plan 2008-2011, Skillset.

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.

With the number of people employed in the Creative Media industries currently declining[165], and the fact that people are likely to become freelance when faced with redundancy or the threat of redundancy[166], the highly skilled freelance labour pool is likely to increase, resulting in increasing pressure on already limited funds for investing in freelancers' skills and development.

However, another consequence of the present economic climate is that it is becoming increasingly difficult for individuals to secure mortgages and other types of credit without a permanent employment contract. As a result, some individuals may be likely to leave the sector entirely, taking their skills and talent with them. There is a significant danger of losing a highly skilled and experienced cohort of the workforce in whose development there has been significant investment.

4.2 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 upskill to make the most of it. The following are of particular importance[167]:

- 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: 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 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.

165 Skillset (2009) Employment Census. LFS April-June 2009

166 Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing.

167 Skillset (2008) Creative Media Workforce Survey; A Skills Review for the TV & Radio Sector, Skillset, (2009); Feature Film Production Workforce Survey. Figures exclude Photo Imaging and Publishing.

- 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.
- Archiving: 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.

The breadth and depth of these up-skilling requirements underline the scale of ongoing transformation the sector needs to affect in its skills base. Delivering against those needs requires the sector to have a very clear vision of future success.

5. Geographical Differences in Labour and Skill Needs

London dominates the geography of Creative Media in England as is illustrated below in Tables 5 and 6.

Table 5 Work base of Creative Media Workforce in England[168]

English region	% of UK total
ENGLAND	89%
All London	35%
South East of England (excluding London)	11%
South West of England	9%
West Midlands	4%
East Midlands	4%
North East of England	2%
Yorkshire & the Humber	7%
East of England	7%
North West of England	10%

Source: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey, Labour Force Survey April-June 2009.

Table 6 Work base of Creative Media Workforce in England by Sector (n)[169]

	London	South East excl. London	South West	West Mids	East Mids	Yorks and Humber	The East	North West	North East
TELEVISION	31,200	1,200	1,750	1,000	1,400	1,150	700	4,250	400
RADIO	6,650	1,050	350	750	450	1,200	1,550	3,950	450
FACILITIES	23,900	4,750	4,750	3,000	4,100	6,250	4,350	15,750	1400
FILM	7,200	1,650	600	150	100	800	550	1,400	50
ANIMATION	850	1,650	200	*	*	50	*	600	0
OTHER CONTENT	3,700	550	1,000	850	200	300	400	250	

[168] Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey, LFS Apr-Jun 2009.
[169] Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey, LFS Apr-Jun 2009.

CREATION									300
INTERACTIVE CONTENT DESIGN	6,800	5,000	4,250	1,000	900	6,400	500	1,650	200
CONTENT FOR COMPUTER GAMES	1,350	250	50	400	600	200	1,300	2,150	200
PUBLISHING	52,000	25,000	19,000	6,000	9,000	6,000	25,000	16,600	---
PHOTO IMAGING	8,000	9,000	2,000	1,000	2,000	2,000	6,000	6,000	2000
Archives & Libraries	150	50	50	50	*	0	50	50	0

In recent years, there have been deliberate attempts to stimulate activity outside of London and the South East. Ofcom's Public Service Broadcasting Review has provided a foundation from which geographic diversity can be speeded up. The south of England including London dominates England's Creative Media industry with some 57% of England's Creative Media workforce. The North has 20% of England's Creative Media workforce while the East has 10% and the Midlands has just 8% of the total. The region with the lowest numbers of Creative Media workers is the North East which has just 0.8% of England's Creative Media workforce. In terms of growth potential the North East is in most need of investment. Its heavy industrial past is still determining so much of the shape of current investment and Creative Media should see this region as a land of opportunity with its rich cultural heritage and identity.

Outside London the North West has received a major fillip with the moving of so much of the BBC's production capacity to Salford Quays. The North West with 51,500 workers, thus has the second highest density of Creative Media workers outside London with strong positions in Television, Radio, Photo Imaging and Facilities. In the East of the country Publishing with 25,000 workers is a dominant sector with the same density of workers as the South East. It also enjoys the same number of Photo Imaging workers (6,000) as the North West. For Animation the South East is the dominant region with 1,650 workers. While Yorkshire and Humber enjoy the highest proportions of Interactive Content Design workers at 6,400.

6. Actions Needed To Raise Skills and Productivity Across the Creative Media Sector

The recommendations that follow below have been framed to respond to the skills needs highlighted in this report and more specifically to provide:

- More targeted and better government investment in supporting the growth of demand-led professional qualifications and systems of accreditation
- A more diverse industry that genuinely celebrates all the talents of all the people of the United Kingdom
- More professional recruitment processes that are based on fairness and accessibility and not just the ability of the favoured few to survive periods of unpaid internship
- An education system that enables people to join the sector more job-ready and more attuned to the demands of employment
- Continuing support for public sector trainers such as the BBC and a greater willingness to train from all levels of employer
- New mechanisms that will enable more people to gain the network capital essential for success in the sector
- Career information that is clear, accessible and available to all

Within that intervention frame, our policy recommendations cluster under four core themes – entry level skills development; CPD and professional development; wider fiscal and business support for the sector; and Investment in Industry specific research and LMI.

6.1 Entry Level Skills Development

1. Launch a Professional Apprenticeship and Internship Programme for the Creative Media industries to incentivise employers to recruit and train graduates and grow the UK's pool of experienced Creative Media professionals. This programme should, for these strategically important sectors, enable graduate entrants to undertake employer-designed Apprenticeships and shorter-term Internships and also provide for flexible training content designed for professional level jobs. It would help remove barriers for SME participation and enable different employers through cross industry collaboration to operate a pooled approached to internships.

2. Urge the film and television industries to provide more equal access to training and skills-based career development through greater use of apprenticeships and graduate internships. Skillset will continue its work on developing codes of conduct for internships and will seek to play a greater role in the coordination of apprenticeships and on-the-job training.[170] Skillset will also keep developing relevant new offerings, including the development of a digital media apprenticeship.

3. Continue to support and invest in Skillset's Media and Screen Academy network and accredited courses in their development of fit for purpose Undergraduate and Foundation degree provision, including new delivery models such as Summer Schools and Hot Houses. Skillset's longer term aim here is to re-wire the curriculum through developing new models of undergraduate provision, driven by the full use of digital hubs at key institutions.

   Skillset will also work with partners to ensure that they are recruiting new students as widely and imaginatively as possible to attract the brightest and the best and to encourage a truly diverse range of candidates to enter the Industry. As part of those efforts Skillset will help create strong feeder links through from the increasing variety of courses already available for 14 to 19 year olds, including for example the new Diploma qualifications in England and the Welsh Baccalaureate.

4. The Creative Media industry needs a vibrant, well-skilled recruitment pool to underpin its growth and development. This means that young people must be equipped to leave the education system with the full complement of skills and knowledge that are required by industry and with a clear idea of the progression routes available to them. Skillset will therefore work to secure ongoing investment to a refreshed approach to an online careers and mentoring provision designed to help people get on and get into the Creative Media industries.

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[170] For supporting arguments here please see - House of Lords Communications Committee (2010) – '*First Report: The British Film and Television Industries*' (www.parliament.the-stationery-office.co.uk)

More broadly given the transformation in the media ecologies of young people – the sector itself should be reformulating how education and learning is delivered to key workers in the sector through new media platforms.

5. Publish new guidelines to help galvanise the Industry to do more to tackle the widespread use of unpaid work experience, which while developing skills, discriminates against those who cannot afford to work unpaid.

CPD and Professional Development

6. Launch a 'Digital Professional' Skills Development Fund as part of a policy decision to accelerate the growth of the knowledge economy. This fund should leverage public funding to trigger increased investment in the development of content skills by employers, and should support high level skills development (graduate and post-graduate level). This would rapidly increase the scale and impact of the UK network of Skillset Screen and Media Academies, and enable greater participation of Higher Education in continuing professional development, while also supporting the development of new short courses and bite-sized online learning to up-skill the existing workforce and re-skill career changers entering digital careers. It would enable pioneering programmes of creative and technical work-based study to address cross platform content development and the underpinning emerging collaborative processes and models which can be used to inform the development of HE provision and the change in culture required for effective delivery.

   It is vital that the new BIS/SSC Joint Investment Fund for growth sectors of the economy, announced in the Skills White Paper, supports such high level skills needs as well as intermediary needs.

7. Undertake a feasibility study to explore how effective a formal membership body could be in underpinning the ongoing professionalisation of the sector. The idea here would be to test the feasibility of creating a '*Creative Media Industries Institute'* which existing practitioners and new entrants could join in

the same way that HR and Marketing professionals can join their long established professional bodies. Such an initiative would help with information asymmetries, and enable the industry to co-produce vital facilitating outcomes such as courses, training standards etc. It could be paid for by a mix of modest membership fees, industry levy and government support through the tax system if it was a registered public interest or charitable body.

8. Continue to invest in and grow the wider role that Skillset's Screen and Media Academies play in offering CPD business support, Postgraduate provision, Incubation schemes and other development activity.

9. Endorse the recent recommendations of the House of Lords Communications Committee urging the Government to encourage PSBs to revive their investment in training[171]. Skillset will support and help further develop the central industry training role of the BBC and Channel 4 as public realm actors. In addition the UKFC should continue to see developing the skills and talent of the workforce as key to the health and wealth of the British film industry and continue its investment. These efforts are a good use of public monies for a sector characterised by an unusually long tail of sole traders and SMEs without the profit margins to sustain large amounts of external training provision.

Fiscal and Business Support

10. Investigate whether a new architecture of fiscal incentives can be created for the larger employers in the sector to employ people from more diverse backgrounds in larger numbers.

11. Create a new architecture of engagement for SMEs and sole traders. Skillset and other key agencies will work to create new ways of communicating with the sector through roadshows, social networking sites, twitter, and streamed events.

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[171] House of Lords Communications Committee (2010) – '*First Report: The British Film and Television Industries*' (www.parliament.the-stationery-office.co.uk)

Invest in Research and LMI

12. Continue and increase investment in a current evidence base that provides the strategic intelligence to routinely inform;

    - the ongoing development and currency of all the other policy recommendations listed above and

    - the introduction of other essential interventions yet to be determined based on new evidence.

    Skillset has developed a suite of research that is steered by industry and Government representatives[172] and this is beginning to provide an evidence base worthy of the sector's strategic importance and potential. This has been achieved following a build up of research expertise specific to the Creative Media industry, and despite very limited resources and in sub-sectors that have been notoriously difficult to measure. A new level of urgency and commitment is required from all concerned parties to ensure that such vital intelligence gathering is not allowed to wither due to budgetary pressures. With increased resources and the continued support of industry and Government, Skillset's Research programme can help underpin the ongoing growth of the sector by efficiently providing the greater level of granularity required to drive first class policy making and delivery.

[172] http://www.skillset.org/research/committee/

Annex A Limitations of Official Data Sources for Creative Media

Official data sources that rely on Standard Industrial and Standard Occupational Classifications are broadly effective for photo imaging and Publishing 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 industry sit in broad classifications that include activity outside of Creative Media preventing any discrete and crucial analysis e.g. Interactive Content Design, 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 industry 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 industry 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 eg. GVA and GDP and so these measures exclude contributions from elements not served well by SIC eg Interactive Content Design, 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 industry 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 6 Labour Force Survey and Skillset Creative Media Employment Estimates _ England

LABOUR FORCE SURVEY[173]			SKILLSET[174]		
INDUSTRIES			INDUSTRIES		
SIC 2007	**Description**	**Total Employed**	**Main Sector**	**Sub-sector**	**Total Employed**
60.2	TV Programming & Broadcasting activities	41,000	**Television**	Broadcast TV	13,250
59.11/3	TV Programme Production activities	21,000		Cable and Satellite	12,700
59.13/3	TV Programme Distribution activities	*		Independent Production	17,050
	Sub-total	**62,000**		**Sub-total**	**43,000**
60.1	Radio Broadcasting	12,000	**Radio**	Broadcast Radio	13,900
				Independent Production	1,000
	Sub-total	**12,000**		**Sub-total**	**14,900**
59.12	MP, V, and TV Programme Post-Production	3,000	**Facilities**	Post production	7,200
				Studio and Equipment Hire	5,400
				Outside Broadcast	200
				VFX	6,900
				Special Physical Effects	600
				Manufacture of AV Equipment	2,950
				Processing Labs	300
				Other Services for Film and TV	17,550
	Sub-total	**3,000**		**Sub-total**	**41,100**
59.11/1	Motion Picture Production activities	19,000	**Film**	Film Production[175]	9,450
59.13/1	Motion Picture Distribution activities	*		Film Distribution	900
59.14	Motion Picture Projection activities	13,000		Cinema Exhibition[176]	-
				Moving Picture Archives and Libraries	300

[173]ONS Labour Force Survey April-June 2009.

[174] Skillset (2009) Employment Census except for Publishing, Photo Imaging, Creative Occupations outside the industry and where otherwise stated.

[175] Secondary analysis of unit lists for 2006 feature Film Productions (80 minutes or longer and minimum budget of £500K.

[176] Data for Cinema Exhibition are not available by nation or region.

LABOUR FORCE SURVEY[173]			SKILLSET[174]		
	Sub-total	**31,000**		**Sub-total**	**10,650**
59.11/2	Video production activities	6,000	**Other Content Creation**	Animation	3,350
59.13/2	Video Distribution activities	*		Commercials and Pop Promos	3,750
				Corporate Production	3,800
	Sub-total	**6,000**		**Sub-total**	**10,900**
			Interactive Content Design	Interactive Content Design	27,600
				Sub-total	**27,600**
			Content for Computer Games	Content and Development	6,450
				Sub-total	**6,450**
			Additional Available Freelancers		**42,000**
74.2	Photographic activities		**Photo Imaging**[177]	Photographic activities	
74.20/1	Portrait Photographic activities	15,000		Portrait Photographic activities	15,000
74.20/2	Other Specialist Photography not Portrait	2,000		Other Specialist Photography not Portrait	2,000
74.20/3	Film processing	2,000		Film processing	2,000
74.20/9	Other Photographic activities; n.e.c.	25,000		Other Photographic activities; n.e.c.	25,000
	Sub-total	**44,000**		**Sub-total**	**44,000**
58.11	Book Publishing	36,000	**Publishing**[178]	Book Publishing	36,000
58.12	Publishing of Directories & Mailing Lists	3,000		Publishing of Directories & Mailing Lists	3,000
58.13	Publishing of Newspapers	48,000		Publishing of Newspapers	48,000
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	39,000		Publishing of Consumer, Business and Professional Journals and Periodicals	39,000

[177] ONS LFS April-June 2009.

* Figures suppressed due to unreliable estimates

[178] Ibid.

LABOUR FORCE SURVEY[173]			SKILLSET[174]		
63.91	News Agency activities	7,000		News Agency activities	7,000
63.99	Other information Service activities n.e.c.	8,000		Other information Service activities n.e.c.	8,000
58.19	Other Publishing	31,000		Other Publishing	31,000
	Sub-total	**172,000**		**Sub-total**	**172,000**
	TOTAL	**330,000**		**TOTAL**	**419,600**
OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY[179]			**OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY[180]**		
SOC 2000	**Description**	**Total employed**	**SOC 2000**	**Description**	**Total employed**
3432	Broadcasting Associate Professionals	11,000	3432	Broadcasting Associate Professionals	11,000
5244	TV, Video and Audio Engineers	7,000	5244	TV, Video and Audio Engineers	7,000
3434	Photographers & Audio-Visual equipment operators	21,000	3434	Photographers & Audio-Visual equipment	21,000
3431	Journalists, Newspaper & Periodical Editors	21,000	3431	Journalists, Newspaper & Periodical	21,000
5421	Originators, Compositors & Print Preparers	2,000	5421	Originators, Compositors & Print Preparers	2,000
3421	Graphic Designers	80,000	3421	Graphic Designers	80,000
	TOTAL	**142,000**		**TOTAL**	**142,000**
INDUSTRIES + OCCUPATIONS[181]			**INDUSTRIES + OCCUPATIONS[182]**		
TOTAL		**472,000**	**TOTAL**		**561,600**

NB: 'n/a' indicates data not available. All LFS data include all people working and not just those of working age.

[179] Skillset's contract with UKCES does not include responsibility for these occupations outside the Creative Media industry. Due to the nature of the Creative Media labour pool it is likely that people working in these occupations will work in the Creative Media industry at some point and will benefit from the service Skillset provides.

[180] Ibid.

[181] Ibid

[182] ibid.

Table 6 shows employment estimates from the Labour Force Survey (April-June 2009) 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 (62,000 compared with 43,000). There are a number of likely explanations for this. Analysis of the data at sub sector level shows a fairly close fit between the LFS estimate for 59.11/3 (TV Programme Production Activities) and Skillset's estimate for Independent Production for TV (21,000 against 17,050). The LFS estimate is a little higher as it probably includes some in house production staff employed by broadcasters. The real disparity is between the LFS estimate for SIC 60.2 (TV Programming & Broadcasting Activities) and Skillset's combined estimate for Broadcast TV and Cable and Satellite (41,000 against 25,950). 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) now undertakes activity not only in television broadcasting, but also radio, Interactive Content Design and Facilities (eg 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 Content Design and Facilities). Employees and freelancers working in generic roles across the business are apportioned according 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 Content Design rather than television.

Radio

In contrast to television, Skillset's estimate for radio comes out considerably higher than that of the LFS – 14,900 compared with 12,000. 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 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 3,000 people to be employed in that activity, compared with 7,200 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 (eg 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.

Film

The overall estimate of employment in film from the LFS is 31,000, higher than Skillset's figure of 10,000. Skillset's estimates does not include cinema exhibition/ projection and distribution is slightly higher, the LFS estimate of employment in Film Production is considerably higher and 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 (10,900 compared with 6,000). As noted above, this is probably due to some of those classified here by Skillset being counted within Film Production by the LFS.

Interactive Content Design

Interactive Content Design accounts for employment of 27,600 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 6,450 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.

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