

Strategic Skills Assessment for the Creative Media Industries in Northern Ireland

January 2010

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1 Introduction

Skillset is the UK Sector Skills Council for the Creative Media Industries, representing eleven sub-sectors which are grouped into four sectors of the DCMS Creative Industries classification. **Skillset Northern Ireland seeks to raise skills levels throughout the Creative Media Industries in Northern Ireland, and works with a number of partners to achieve this goal, particularly Northern Ireland Screen, the local agency with responsibility for the development of the screen industries in Northern Ireland. Our other public sector partners include Invest NI, the Department for Employment and Learning (DEL) and the Department of Culture, Arts and Leisure (DCAL).**

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. Within NI some of these sectors are more mature and established such as Radio and Publishing, while others have emerged more recently with technological advances, e.g. Visual Effects 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 businesses 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 meaning that 'multi-platform content' is critical.

1.1 Overview of Current and Future Skills Priorities

- The Creative Media Industries are a major contributor to the nation's economy and in spite of the current economic climate, are expected to grow at a faster rate than the wider economy in the coming years, particularly activities that are export focused.
- In our consultation with Skillset NI board members, 6 out of 9 members "agreed strongly" that the Creative Media Industries would spearhead the recovery from recession, and 8 out of 9 members "agreed strongly" that the growth of digital

communications and global supply networks presented major opportunities for strong medium term growth¹.

- Current drivers of change of the Creative Media Industries include:
 - The economy
 - Digitisation
 - Convergence and audience fragmentation
 - Lower cost technology and user-led innovation and content
 - Intellectual property and digital management
 - Globalisation
 - Workforce and demographics

- Current skills issues include:
 - Multi-skilling
 - Multi-platforms
 - Management and leadership
 - Commercial acumen and entrepreneurship
 - Technical skills
 - Archiving
 - VFX

- Challenges ahead fall broadly into the following areas:
 - Convergence and Audience Fragmentation
 - Competition and Industrial Structure
 - Lower Cost Technology and User Developed Innovation and Content
 - Intellectual Property and Digital Management
 - Globalisation
 - Workforce and Demographics

Since a separate UK-wide version of this document exists to summarise key policy messages at a national level, some of these challenges (particularly global trends) are not considered in detail in this NI report. This does not mean these challenges are not relevant in Northern Ireland; rather, we focus here on a smaller number of the most important issues affecting Creative Media within the region.

¹ Survey of Skillset NI Board Members, Oxford Economics, January 2010. Based on a survey of 9 Board Members.

1.2 Research and Data

The analysis in this document is based on reliable data from high quality 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 DETI's Bi-Annual Census of Employment; and 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 Industries, 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 Industries 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. This is particularly true for NI which is the smallest nation within the UK (and thereby has the smallest sample size). However, SIC 2003 employee data from DETI's bi-annual Census of Employment offers an alternative source.

Gaps in official data sources have been filled by the primary research programme Skillset manages which was established by the Audio Visual Industries Training Group a decade ago and has since been steered by the same organisations involved².

² <http://www.skillset.org/research/committee/>

2 What Drives Skills Demand?

2.1 Contribution of the Sector

The Creative Media Industries in Northern Ireland have been identified as a significant opportunity for wealth and job creation. This is illustrated by the strong pick-up in growth in employee jobs from the mid-1990s, which remained largely unbroken up until the wider economic recession in late 2008 and 2009³.

The Creative Media Industries make an important contribution to Northern Ireland's economy and to the cultural development and heritage of the country, as well as helping to diversify the economy and support the transition towards a high-value added knowledge-based economy.

It is important to note as well that the importance of the wider Creative Industries in NI is reflected in the Programme for Government. One of the Public Service Agreement (PSA) sub-objectives is to grow the Creative Industries sector by 15% between 2007 and 2011, though it is not particularly clear whether growth is to be in terms of GVA or employment.

Across the whole of the UK, the Creative Media Industries have suffered at the hands of the recession, but remain a significant employer.⁴ It is estimated that there are around 15,695 businesses operating within the Creative Media sector in the UK⁵. Geographical detail is missing from official data sources but evidence from Skillset research has shown that around 2% of companies (excluding Cinema Exhibition, Film Production and Publishing firms) are based in Northern Ireland⁶. This equates to approximately 300 businesses operating within the Creative Media sector in Northern Ireland⁷. The recent recession-led difficulties come after a period where broader Creative occupations, a sub-set of which includes Creative Media and software publishing, experienced

³ Official data sources (ABI and LFS). These exclude Facilities, Interactive Content Design, Content for Computer Games and either part or all of the freelance workforce.

⁴ Evidence includes Skillset's (2009) 'From Recession to Recovery', based on a sample of 262 employers: one third had made or expected to make some staff redundant as a result of the recession and just over one third had not renewed some freelance contracts.

⁵ ONS March 2009. Key elements of the Creative Media Industries sit in broad classifications that include activity outside of Creative Media e.g. Interactive Content Design, Content for Computer Games and Facilities and hence are not included in this estimate.

⁶ Skillset (2006) Employment Census and Skillset (2007) analysis of Experian. Figures exclude Cinema Exhibition, Film Production and Publishing.

⁷ 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.

unprecedented growth over a number of years, expanding at around 2% per year in employment terms compared with a 1% average for the whole economy.⁸

In Northern Ireland, 7,550⁹ people work in the Creative Media Industries and a further 2,000¹⁰ are employed in Creative Media occupations in other industries.

Significantly, Skillset's 2009 Employment Census (excludes Publishing and Photo Imaging) showed a **significant increase in Creative Media employment in NI from 3,200 to 6,300 in 2009¹¹**. This trend is broadly supported by data from the NI Department for Enterprise, Trade and Investment (DETI) Census, which has also shown increases in NI Creative Media Industries employment in recent years. In contrast, between 2006 and 2009, the UK has seen a decrease in employment in the sector.

A breakdown of employment by Creative Media sub-sector in NI is provided in **Annex A, Table 4**. Some key points about the region's workforce, based on the very latest Skillset 2009 Employment Census data, are provided below:

- **Film:** the UK is one of the three major Film Production sectors in the world, and attracts significant inward investment from overseas. While in Northern Ireland the film industry is less mature than the UK industry, it is becoming of growing strategic importance and has potential spill-over impacts on the tourism sector. Around 300 people operating in the key sub-sectors of film production live in Northern Ireland, of which the vast majority (around nine in ten) are freelance¹². (Note this figure is very close to the number of employee jobs in SIC 92.11 and 92.12 – motion picture and video production and video distribution – in the 2007 DETI Census of Employment) It should however be said that at any point in the year, employment in film productions may be higher than this due to the regular use of non-local cast and crew.
- **TV:** approximately 1,650 people work in the Television industry in Northern Ireland¹³ which includes Terrestrial Broadcast, Cable and Satellite and Independent Production. The sector includes the BBC and UTV. Though the sector has

⁸ Technology Strategy Board (2009) Creative Industries Technology Strategy 2009-2012. Includes software and reproduction of computer media.

⁹ Skillset (2009) Employment Census, secondary analysis of unit lists for 2006 feature film productions (80 minutes or longer and minimum budget of £500K) and Labour Force Survey, ONS April - June 2009.

¹⁰ ONS, LFS April-June 2009

¹¹ Skillset (2006) Employment Census and Skillset (2009) Employment Census respectively

¹² Skillset (2009) Employment Census and secondary analysis of unit lists for Skillset/UK Film Council (2008) Feature Film Production Workforce Survey

¹³ Skillset (2009) Employment Census.

experienced strong recent growth, Northern Ireland is still significantly under represented in terms of TV network production – in 2006, the investment in network production across all five terrestrial channels was lowest in Northern Ireland at less than £4 per capita compared to a UK-wide figure of £32¹⁴. However according to Network Supply Review targets for NI, provided by the BBC, these figures show that investment in network production is set to increase significantly from a total expenditure of £6.3m in 2009/10 to £17.1m in 2011/12. The most significant increase in expenditure over the period 2009/10 to 2011/12 is on commissioned drama productions (increase of £3.4m). Other genres of increased expenditure include commissioned entertainment and factual productions.

- **Radio:** 2,050¹⁵ people work in publicly funded, commercial, community and voluntary radio. Northern Ireland's radio enterprises range from very large corporations such as the BBC to small, not-for-profit community radio stations.

Combined employment in TV and Radio (3,700) appears high compared to the number of employee jobs and self-employed in SIC 92.2 – Radio and Television activities– in the 2007 DETI Census of Employment and 2001 Census. Much of the difference can be explained by official statistics not capturing freelancers.

- **Publishing:** in 2006 there were around 4,000¹⁶ employees working in publishing in Northern Ireland, predominantly from the newspaper sector where there were some 51 publications, located throughout the province. More recent figures seem to suggest a significant decrease in the number of employees to 2,250¹⁷ in 2007 and down to 1,000¹⁸ in 2009.

This dramatic decline in employment is a consequence of pressures brought about by the reduction, in common with the rest of the UK, in advertising revenue in local newspapers; and also by the growth of alternative sources of information, the internet in particular, for younger consumers. The challenge facing local and regional newspapers here in Northern Ireland is to find new, viable business models which allow them to develop an on-line presence in addition to their print product. However,

¹⁴ Skillset website: http://www.skillset.org/uk/ni/industry/article_6530_1.asp

¹⁵ Skillset (2009) Employment Census.

¹⁶ ONS, LFS 2005-2007

¹⁷ DETI (2007) Census of Employment

¹⁸ ONS, LFS Apr-Jun 2009

one strength going forward for the industry is that journalism in the Province is considered to be well-developed in terms of supporting infrastructure: the University of Ulster, for example, was the first full multimedia MA course to gain dual accreditation from the Broadcast Journalism Training Centre (BJTC) and the National Council for the Training of Journalists (NCTJ). Elsewhere in Publishing, NI has also traditionally had a notable cottage book publishing industry, including companies such as Blackstaff Press, Guildhall Press and Appletree Publishing. Both books and magazines are now often published from the Republic of Ireland.

Occupations

The Creative Media Industries are reliant on a wide range of occupations from creative and technical such as construction, set crafts, interactive content design and visual effects, through to management and business roles, all of which benefit from applied Creative Media specific knowledge. This diversity in occupations means that skill needs throughout the industry also vary.

Table 1 below provides a full breakdown of employment by occupation. Comparing the NI data with that for the UK as a whole, it is apparent that the **NI Creative Media Industries have a higher share of employment in art and design, strategic management and particularly broadcast management, and a lower share of employment in retail and exhibition.**

Table 1 Occupational Breakdown in NI Creative Media Industries

OCCUPATIONAL GROUP	NI total (%)	UK total (%)	OCCUPATIONAL GROUP	UK total (%)
Creative Media (excl. Publishing)			Publishing	
Strategic Management	11%	5%	Managers and Senior Officials	25%
Creative Development	4%	2%	Professional occupations	7%
Production	9%	11%	Associate Professional and Technical	36%
Legal	1%	1%	Administrative and Secretarial	12%
Broadcast Management	18%	3%	Skilled Trades Occupations	4%
Broadcast Engineering & Transmission	2%	2%	Personal Service Occupations	0%
Editorial, Journalism and Sport	4%	5%	Sales and Customer Service Occupations	5%
Content Development	2%	1%	Process Plant and Machine Operatives	3%
Art and Design	13%	9%	Elementary Occupations	8%
Animators	1%	3%	Total Publishing	100%
Costume/Wardrobe	1%	1%		
Make Up & Hairdressing	*	1%		
Camera/Photography	8%	10%		
Lighting	*	2%		
Audio/Sound/Music	3%	3%		
Transport	*	*		
Studio Operations	*	*		
Technical Development	2%	3%		
Editing	3%	2%		
Laboratories and Imaging Services	1%	5%		
Manufacture	*	1%		
Servicing	0%	1%		
Retail and Exhibition	3%	10%		
Libraries and Archives	*	2%		
Distribution, Sales and Marketing	1%	2%		
Business Management	9%	13%		
Other	*	2%		
Total Creative Media (excl. publishing)	100%	100%		

Source: Skillset (2009) Employment Census, Skillset (2007) Photo Imaging Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and ONS, LFS April-June 2009. Data for Publishing are taken from ONS, LFS Jul-Sep 2009 and due to data restrictions cannot be disaggregated further.

NB: Sample size in NI may exaggerate differences in occupation structure.

Creativity is recognised as an important driver of innovation. The Creative Industries show significantly higher values of innovation and creativity than other UK enterprises (70% as against 55%)¹⁹. According to the Technology Strategy Board the Creative

¹⁹ Includes all Creative Industries, DTI Occasional Paper No. 6. Innovation in the UK: Indicators and Insights, July 2006. Includes software and reproduction of computer media.

Sector, with Digital Creative Media Industries at the heart of this sector, is an important stimulator of innovation in the wider economy, via firms they can work with as partners and/or suppliers.²⁰ The strong conclusion in a recent NESTA report²¹ pointed to the Creative Industries, (a major sub-set of which includes Creative Media) and specifically the talent nurtured within it, becoming a key driver for the UK's recovery from recession and that the industries will take centre-stage as a major, high growth contributor to the UK economy over the next 5 years.

In addition the digital future relies heavily on the Creative Media Industries and its capacity to generate compelling educational, entertainment, commercial and public service content and services which can engage citizens, learners and consumers around the world. Finding ways to innovate, within education, the existing workforce and industry is critical. The answer to which lies in collaboration between creative and technical drivers of the digital work to research, develop and prototype whilst equipping the workforce of the future and the workforce of today with the right skills to innovate, create and communicate in a digital environment.

It is worth also noting that the Department of Culture, Arts, and Leisure (DCAL) secured £5 million from the £90 million Northern Ireland Innovation Fund for the establishment of the Creative Industries Innovation Fund (CIIF), which is administered on their behalf by the Arts Council of Northern Ireland (ACNI). The CIIF operates on a rolling basis of which the first round, targeted at sectoral bodies, was implemented in December 2008. The second and subsequent rounds (April 2009 and October 2009) are targeted towards emerging creative businesses. An evaluation of beneficiaries of this fund (i.e. creative businesses and sector bodies) will be monitored over a two-year period running from 2009. The first round of evaluation results are due to be reported to ACNI during spring 2010, at which stage more will be known on the extent of and economic benefits from innovation on the Creative Industries.

²⁰ Work Foundation (2009) Investing in the Creative Industries; A Guide for Local Authorities Includes software and reproduction of computer media.

²¹ NESTA (2008) Attacking the Recession: How Innovation Can Fight the Downturn, NESTA Discussion Paper. Includes software and reproduction of computer media.

2.2 Product Market Structure

The core business of the Creative Media Industries is to create high quality and professionally produced content across the full range of platforms from mobile phones to computer games to film and TV screens. In most sectors of the industry, there are businesses whose exclusive domain is content creation, others which provide a supporting role in that process, and others involved in the distribution, transmission or exhibition of that content. This can be illustrated by reference to the Film industry which comprises not only production companies, but significant numbers of businesses in the Facilities sector who provide services such as Studio and Equipment Hire or Post Production, and also companies involved in distributing and exhibiting films.

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

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

2.3 Employment Profile

In Northern Ireland, overall, 48%²² of those working or available for work in the Creative Media Industries are 'freelance' and the remaining 52% operate on an 'employee'²³ basis. This is a significantly higher proportion than the 34% of freelancers across the UK as a whole – and in line with the common observation that firms in NI tend

²² Skillset (2009) Employment Census, 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 and ONS, LFS April - June 2009.

²³ 'freelance' = contract of less than 365 days and 'employee' = contract of 365 days or more.

to be smaller than the UK average²⁴. It may also be related to the critical mass of the industry in NI, which means that there are fewer permanent employee positions.

It must be borne in mind that the full implications of the recession on freelancing will not be fully understood until further scheduled work is carried out (Skillset's 2010 Creative Media Workforce Survey), although there is strong anecdotal evidence to suggest more redundancies, rising numbers of freelancers, and increasing skills needs.

Table 2 below shows that **many sub-sectors of the Creative Media Industries in NI are characterised by high levels of freelancing**, especially Film Production (91%) and Radio (78%).²⁵

Table 2 Proportion of Workforce who are Freelance by Sector

Sector	% freelance, NI	% freelance, UK
Television	29	28
Broadcast Terrestrial	12	19
Cable & Satellite Television	-	11
Independent Production (TV)	36	44
Radio	78	23
Broadcast Radio	78	22
Independent Production (Radio)	-	61
Animation	17	46
Interactive Content Design	36	21
Content for Computer Games	*	4
Other Content Creation	*	47
Commercials Production and Pop Promos	*	41
Corporate Production	*	54

Sector	% freelance, NI	% freelance, UK
Facilities	30	29
Film Production	91	80
Publishing	N/A	13
Book publishing	N/A	19
Newspaper publishing	N/A	5
Journals & periodicals	N/A	18
Other publishing	N/A	10
News Agencies	N/A	17
Publishing of Directories & Mailing Lists	N/A	17
Other info service activities n.e.c.	N/A	27
Photo Imaging	N/A	60
Photographic activity	N/A	60
Archives & Libraries	N/A	17
TOTAL	48	34

²⁴ For example, see data on business unit size from the Annual Business Inquiry for GB regions, and comparable data for NI from NISRA.

²⁵ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

Source: Skillset (2009) Employment Census, 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 and ONS, LFS April-June 2009.

Over half (54%)²⁶ of the Creative Media workforce in NI use their skills across multiple sectors which is unsurprising due to the converging media industry, high share of freelance employment and lack of critical mass.

As with the freelancing data, there is significant divergence between figures for NI and the UK across individual sub-sectors. This is likely to reflect a genuine increased likelihood of cross-sector working and a need for significant flexibility to survive in the freelance-intensive NI Creative Media sector.

In spite of some variation at sub-sector level, the typical workforce profile across the industries, in both NI and the UK as a whole, is white, male, young and highly qualified:

- **Representation of women is lower in NI Creative Media than across the economy as a whole** (22% compared with over 50% across Northern Ireland²⁷) and varies considerably by sector with a third or more in Film Production (39%) and radio (33%).²⁸ Research²⁹ has also shown that **female representation is falling** (from 34% in 2006) whereas the opposite is the case for the economy as a whole³⁰. The NI figure of 22% for female participation compares particularly unfavourably with those for England (38%), Scotland (33%) and Wales (29%), and is highlighted as a key challenge for the sector by leading Creative Media stakeholders in NI – as the chart below shows, 7 out of 9 respondents to our stakeholder survey agreed or agreed strongly with this assertion³¹.

²⁶ Skillset (2008) Creative Media Workforce Survey (excludes Film Production, Publishing and Photo Imaging).

²⁷ Figures from DETI Quarterly Employment Survey The actual figure of 52% includes part-time working (just 39% of NI full-time jobs are held by women, compared to 74% of part-time jobs), and also reflects the fact that NI's entrenched inactivity problem (i.e. the prevalence of a relatively large number of long-term unemployed people) tends to affect males to an overwhelming extent.

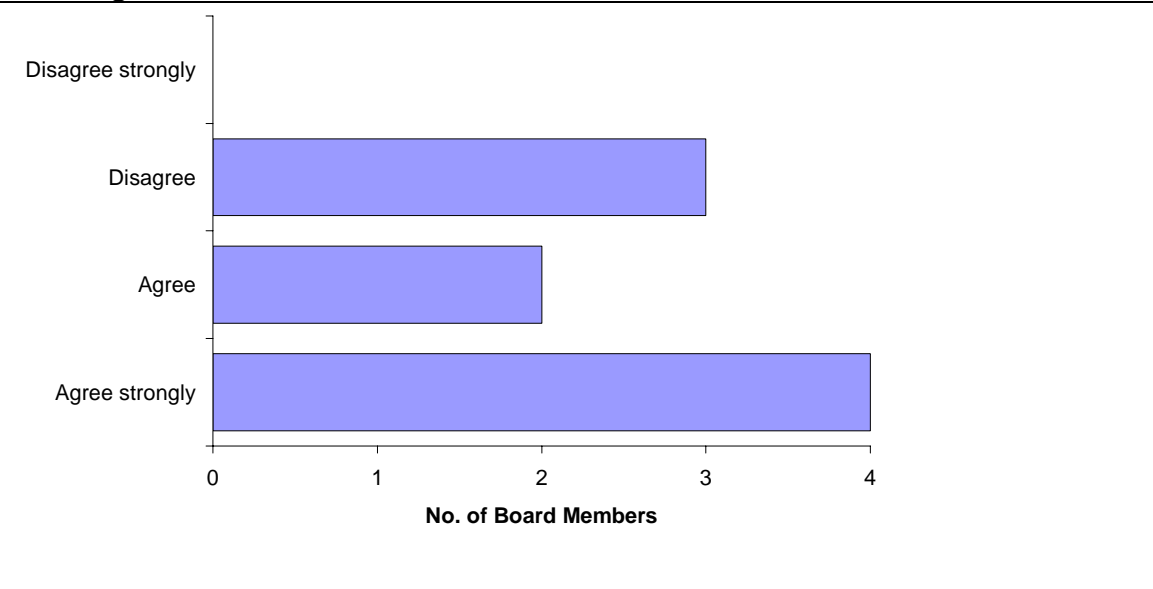
²⁸ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and ONS, LFS April-June 2009.

²⁹ Skillset (2009) Employment Census. Figures exclude Film Production freelancers, Publishing and Photo Imaging.

³⁰ ONS, LFS April-June 2009.

³¹ Survey of Skillset NI Board Members, Oxford Economics, January 2010. Based on a survey of 9 Board Members.

Figure 1: NI stakeholder views on female representation as a key industry challenge



Source: Skillset (2010) Consultation with nine Skillset Northern Ireland Board members.

- Research has also repeatedly shown that representation of older women is extremely low and has identified the cause of this to be the particular challenges of balancing starting and raising a family with working in the Creative Media Industries, for example due to long and unpredictable hours.³²
- Based on available data, a roughly similar share of persons employed in the NI Creative Media Industries compared with the regional economy as a whole are from a Black Asian or Minority Ethnic Background (BAME) (1%).³³ However, the whole Northern Ireland economy BAME employment share is based on 2001 Census data and this is now likely to have risen above 1%.
- Fewer than one in ten (8%) in the NI Creative Media Industries is disabled³⁴. It is difficult to compare this figure directly to the share of disabled persons in total employment across the whole economy. A rough proxy estimate from the 2001 Census of Employment in NI shows that 6% of those employed across the wider economy in NI had a limiting long-term illness, although this may exclude certain non-physical disabled categories.³⁵

³² Skillset (2006) Balancing Children and Work in the Creative Media Industries

³³ Creative Media: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey and ONS, LFS April-June 2009

³⁴ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey, ONS, LFS April-June 2009.

³⁵ DETI (2001) Census of Employment in Northern Ireland

- **The NI Creative Media Industries workforce is young and around two fifths (39%, compared to 42% across the UK) are under 35 years of age.** Differences are evident by contract type; 33% of NI employees compared with 46% of freelancers are under 35 years old.³⁶
- Creative Media is highly skilled and one of the most highly qualified sectors in the economy; **69% of the NI Creative Media Industries workforce have a degree or equivalent level 4 qualification**³⁷ compared with just 26% of the population of working age across the NI economy.³⁸ Freelancers in particular tend to have degrees (74% compared with 64% of employees)³⁹.

2.4 Recruitment at Entry Level Onwards

Most sectors of the industry have long been characterised by an oversupply of potential new entrants keen to enter an area commonly seen as glamorous and exciting. One result of this oversupply has been a high level of voluntary or unpaid working undertaken in order to get a foot in the door and a first paid job: **more than two fifths (46%) of the NI Creative Media Industries workforce had undertaken unpaid work in order to get into the industry** – a similar proportion to the UK average. Advertising is the most common recruitment method for those entering the industry, with 37% entering this way and 22% entering via word-of-mouth or personal contact.⁴⁰ Interestingly, this is the reverse of the pattern seen across the wider UK Creative Media Industries, in which personal contacts are the source of initial entry for a majority of workers. It is probable that Equal Opportunities legislation in Northern Ireland is responsible for this reverse. This legislation was designed to eradicate traditional sectarian practices by a range of employers in the Province and now requires them to commit openly to recruitment policies which demonstrate equal opportunity for all. Whilst it is true that word-of-mouth opportunities still regularly arise (e.g. in recruitment of researchers on short-term contracts by Independent Television Production companies) many more job opportunities are advertised widely to comply with the need for fair competition.

³⁶ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey and ONS, LFS April-June 2009.

³⁷ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey and ONS, LFS April-June 2009.

³⁸ ONS, LFS average of four quarters 2008.

³⁹ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey and ONS, LFS April-June 2009.

⁴⁰ Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing.

Lack of information on the range of occupational roles also complicates the picture and employers report that the '*X-Factor* generation' have little knowledge about wanting to work in the Creative Media sector and less about how to enter. **This results in an oversupply in most general Creative Media roles but skills shortages in more specialist technical areas like Broadcast Technology and Engineering and the more craft-orientated occupations.**

Lack of information getting to new entrants coupled with informal entry routes and high qualification entry bars are resulting in serious representational issues (socio-economic and gender).

2.5 Retention

The oversupply of people wanting to enter the industry has also had implications for retention as well as recruitment: as already noted, people who choose to start a family commonly find it difficult to combine this with a career in the Creative Media Industries and the problem appears more acute for women.⁴¹ It is also possible that the perception of ease of replacement overlooks the value of the skills and experience gained by people leaving the industry typically in their thirties and forties; the industry thus routinely and avoidably loses a highly skilled segment of its workforce to other sectors of the UK economy.

A further specific factor is that of the geographical location of Northern Ireland, separated from the rest of the United Kingdom by the Irish Sea. Interestingly, this has the effect of facilitating retention, especially by the larger employers such as BBC NI. Here, the career pyramid sharpens very quickly with fewer opportunities for advancement to senior level. This means that employees have to choose between sitting in the same job for a much longer time or moving across the Irish Sea (with all the implications for family disruption – new schools, etc.) to gain advancement. Unsurprisingly, many chose not to move. Of course, if one works for the BBC in London or Manchester, for example, it's possible to climb the career ladder without having to move house; but in Northern Ireland, this lack of opportunity, and movement, adds to the problems of people trying to gain employment or find the next rung on the career ladder.

This situation is exacerbated by freelancing and ensuring freelancers have skill currency and are agile (available) at times of work fluctuation, an issue for those sectors where this freelance pool is a significant part of the workforce. Added to this, as noted earlier from

⁴¹ Skillset (2006) Balancing Children and Work in the Audio Visual Industries.

recent Skillset research⁴², is that since the recession, women and BAMEs are less well represented in some sectors of the industry. Further implications of the recession on the make up of the industry will be captured in Skillset's 2010 Creative Media Workforce Survey.

Some of these people have or could end up leaving the sector at this crucial time, taking their experience and talent with them. The risks these factors pose need to be addressed to sustain the vitality of this strategically important sector.

2.6 The Economic Situation

Until very recently, a relatively long period of economic success and growth had been the background economic context for the Creative Media sectors. The current recessionary climate and the impact of wider changes to the market structure are, however, having a short-term effect on the industry. Television has been particularly badly hit, largely due to the downturn in advertising revenues and the shift to online advertising. The Creative Media sector overall is struggling with reduced revenue and difficulties in accessing finance.

In Northern Ireland, the recession ended a so-called 'golden era' of economic growth and prosperity spanning more than a decade. Though it was initially spared the brunt of job cuts by virtue of its large public sector, it is accepted by most economists that a sustained period of significantly slower economic growth lies ahead.

In Creative Media, NI faces many of the same challenges as the rest of the UK – most notably keeping pace with rapid change in consumer preferences for 'consuming' creative output – but it is well placed to recover with a highly flexible base of small firms and freelancers and a **significant BBC presence likely to gain from the Corporation's ongoing efforts to decentralise**. Indeed, the region will hope to capture additional spin-off benefits from the relocation of several BBC departments to the North West in 2011.

Many indices point to growth in the medium term across the Creative Media sector, largely spurred by technological development; 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

⁴² Skillset (2009) Employment Census.

1990s dot.com boom and later 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 rates of innovation than other UK enterprises (70% as against 55%⁴³).

The underlying reason for optimism in growth for the Creative Media sector is the opening up of new markets and new opportunities globally as a result of digital communications and global supply networks. This of course creates significant challenges for all media and artistic practitioners in terms of intellectual property and copyright protection, but it equally opens up many new markets and commercial opportunities if revenue can be collected and satisfactorily appropriated.

The recent report by the House of Commons Northern Ireland Affairs Committee on Television Broadcasting in Northern Ireland is highly-critical of the UK network broadcasters, accusing them of 'culturally neglecting' the Province. But the report also highlights 'the success of Northern Ireland in securing international commissions...that over the past 18 – 24 months Northern Ireland had more hours of programming commissioned from international platforms than anywhere else in the UK'⁴⁴.

2.7 The Business Context – Digital Britain

Digital Britain, the UK Government report published in June 2009, sets an ambitious agenda to ensure the UK is at the leading edge of the global digital economy. This includes the urgency of upgrading to a full rollout of digital infrastructure in the UK; the importance of investment in quality Creative Media and online services; and the need to ensure that everyone can participate in the digital society through action on universal connectivity and digital media literacy.

The review of infrastructure as part of Digital Britain included a review of the UK's position globally in terms of both the 'pipes' (technology infrastructure and broadband access) and the 'poetry' (creative content). On the former, Northern Ireland's approach to letting

⁴³ Includes all Creative Industries, DTI Occasional Paper No. 6. Innovation in the UK: Indicators and Insights, July 2006. Includes software and reproduction of computer media.

⁴⁴ HC 237: Northern Ireland Affairs Committee: 'Television Broadcasting in Northern Ireland': 3rd Report of Session 2009-10: Published 26/01/10.

contracts to fill gaps in broadband coverage was commended and proposed as a model for other UK regions to follow. The report and recommendations identified the potential for the UK to increase its position in the global league table with the right strategic focus from both government and industry. Skills and people were very much at the centre of this analysis (NI has largely adopted the same policy priorities as the UK's Leitch Review) and the Digital Economy is now an identified sector of priority. The Review considers the UK's long term skills needs, finding current investment levels inadequate, meaning by 2020 the UK would have managed only to "run to stand still"⁴⁵. It lays out challenging targets including over 40 per cent of adults to be qualified to level 4 and above by 2020, from 29 per cent in 2005. The rationale behind improving skills would be that higher levels of skills drive innovation, and facilitate investment, thus helping economic growth.

The report was also notable for encouraging the BBC (via the BBC Trust) to exceed its target of 16% of network commissioning from Scotland, Wales and Northern Ireland by 2016, in light of what it termed "rapidly increasing pressures" to decentralise production.

2.8 Opportunities and Challenges

In Northern Ireland the role of the Skillset Media Academy is of particular relevance in this regard. Since its inception, it has encouraged much greater interaction between key industry figures and organisations and the student body, with regular lectures and/or Q & A sessions, visits to studios, work placements and internships.

2.8.1 Networking and Collaboration

As the processes of convergence progress, competitive boundaries will become increasingly blurred. The common feature of the global opportunities presented by new and developing technology is that they will be beyond the scope and scale of almost all single companies, even large established multinationals or conglomerates. Alliances and partnerships will therefore need to be formed for opportunities to be realised, commonly with companies in technology and telecoms, and sometimes with companies that will be competitors in other markets. Learning how to navigate through this increasingly complex competitive environment may well be a distinguishing feature of companies which survive through the increasingly competitive environment precipitated by the current economic downturn, and those which do not. **It is felt that in Northern Ireland, both the extent and intensity of collaboration and networking between Creative Media firms could**

⁴⁵ Leitch Review of Skills: Prosperity for all in the global economy – World Class Skills, Lord Leitch, December 2006

be improved, as achievement of the tangible benefits this can provide has to date been limited.

Emphasis has been placed on the need for greater collaboration between industry and education in NI given the historical lack of engagement between the two. However it was felt that in order for this working partnership to be effective, both industry and education would have to gain from this process and that the benefits could not be one-sided e.g. industry could offer more student placements. To a certain extent this is true however the counter argument is that education is publicly funded and so does not necessarily need to get an equal deal when collaborating with industry.

2.8.2 The 'Credibility' Challenge Facing NI Practitioners

Something of a paradox facing the Creative Media sector in Northern Ireland – as in many northern English regions – is that to establish credibility and a reputation, individual employees and firms must frequently secure experience working on projects in the traditional creative media clusters of southern England, particularly London. Even if the actual work undertaken – whether creative or technical in nature – is extremely similar, projects outside London may carry less weight on a CV and therefore make it harder for a firm or a freelancer to develop their business successfully at home.

A related issue is of course the natural 'talent drain' whereby young workers showing promise will often follow the better career prospects (and remuneration) available by moving to London. Examples of NI-born talent employed in the Creative Media Industries in GB include Christine Blakely (One Show), Colin Murray (BBC), Zoe Salmon (formerly Blue Peter) and Eamon Holmes (formerly GMTV).

The challenge facing NI and other northern UK regions is therefore twofold: firstly, to ensure more experienced professionals who may have left are able to return home to continue a successful career; and secondly, in the longer term, to develop a base of employers capable of attracting and retaining the best young talent. In the TV and Radio sectors, the relocation of BBC Sport, CBBC and Radio Five Live to the North West of England in 2011 should help address the traditional problem of London-centricity.

2.8.3 Convergence and Audience Fragmentation

According to figures from the Internet Advertising Bureau, the web in the UK took in advertising revenues of £2bn in 2009, surpassing the combined revenues of the entire national newspaper sector and making the internet advertising market more than half that of the TV industry. Advertising revenues from the internet are growing annually at a far higher rate than other sources⁴⁶, and indeed in the UK they even defied the recession to rise by 5% on a like-for-like basis in the first half of 2009, in the context of a 17% fall across all media.⁴⁷

The same issue faces the Publishing industry in NI to the extent that it is threatening the survival of some of the province's smaller Publishing companies. There are serious question marks over the sustainability of some NI local newspapers given the large number of them and their relatively small readership. However, unique to Northern Ireland is the role of politics and ongoing religious divides. Even in the Publishing industry this is apparent with unionist versus nationalist newspapers both of which have loyal readership. It is this that may result in the NI Publishing industry being more sustainable than elsewhere in the UK (albeit less profitable than if there was one combined readership). Nevertheless, one example seems to contradict these traditional assumptions. In the last decade the Tyrone Courier newspaper has doubled its circulation by widening its editorial coverage to both the unionist and nationalist communities and by concentrating on less contentious areas such as sport. It is now the most widely-read local paper in Northern Ireland. There are few signs however, that other local papers are planning to follow its example.

Thus, unlike many sectors of the economy, the current challenge for those in most sectors of the Creative Media Industries is less about the scale of demand, but its complexion and the ways in which it can be met. In particular, recent years have witnessed fragmentation of markets on a huge scale, meaning that broadcasters and publishers in particular have for some time had to rethink their business models radically. It has long been clear that the traditional media paradigm of broadcasters and publishers providing advertisers with direct or exclusive access to mass markets and relying solely on that revenue source has gone for good. The huge decline in advertising revenue has presented many employers in the sector with profound business challenges long before the rest of the economy began its slide towards recession. As previously mentioned (P.9

⁴⁶ The Advertising Forecast, Advertising Association statistics published by www.WARC.com, Nielson Media Research, World Advertising Research Centre.

⁴⁷ Online Advertising Bureau, online fact sheet for H1 2009, available at: www.iabuk.net

– Publishing), this has been particularly true for the Publishing industry in Northern Ireland which is suffering a significant reduction in newspaper employment levels, perhaps as much as 50%⁴⁸. And the challenge for Ulster Television (the Province's independent commercial broadcaster) is to judge whether or not reducing local programme output would further affect already-shrinking revenue from local advertisers.

Paradoxically though, it is in fact audience fragmentation which is driving growth in demand – in the last ten years, for example, cable and satellite subscription revenue has tripled, while DVD revenues have increased fifteen-fold and downloading has enabled audiences to access content in more personalised ways.⁴⁹

2.8.4 Lower Cost Technology and User-Led Innovation and Content

User-led innovation has become increasingly important and several of the UK's existing creative businesses such as web content and video games have been cited as examples of excellence.⁵⁰ This includes User Generated Content (UGC) through, for example 'Twitter' and other social media sites and blogs. In the US, UGC site visitors are projected to grow from 69 million in 2006 to 101 million in 2011, with corresponding growth in advertising revenue from \$1 billion in 2007 to \$3.3 billion in 2008.⁵¹ In the UK, around 19 million people in the UK (50% of internet users) visit Facebook, spending an average of six hours per month in May 2008.⁵² Social media sites such as Facebook have also opened up their platforms to individuals and businesses to create widgets and have created and developed the structure to support the commercialisation of these applications. However, economic and quality factors suggest that sites that had to date focused exclusively on User-Generated Content (UGC) may well have to scale back some of their offerings, and offer content that is more professionally produced, which can generate revenue.⁵³

2.8.5 Intellectual Property and Digital Management

A mass of niche services has been created and with these opportunities come new challenges – peer sharing and privacy for example – challenging content creators' ability

⁴⁸ ONS, LFS Apr-Jun 2009

⁴⁹ Deloitte (2009) Media Predictions, TMT Trends.

⁵⁰ NESTA (2009) Annual Review.

⁵¹ 'User Generated Content, Social Media and Advertising', IPA, April 2008.

⁵² OFCOM (2009) Annual Report.

⁵³ Deloitte (2009) Media Predictions, TMT Trends.

to earn from their own intellectual property at a time when budgets have been squeezed. With format export fees partially replacing lost advertising revenue, the potential for intellectual property theft has been greatly heightened and poses a serious threat to many content producers.

In summary, although the changing landscape is a challenge it also represents a significant opportunity. The Creative Media Industries are seen as an important sector in driving the recovery of the economy. Additionally, both the UK Government and the devolved national governments see skills as the key element in increasing both personal and national productivity.

3 Current Skills Needs

3.1 Overview

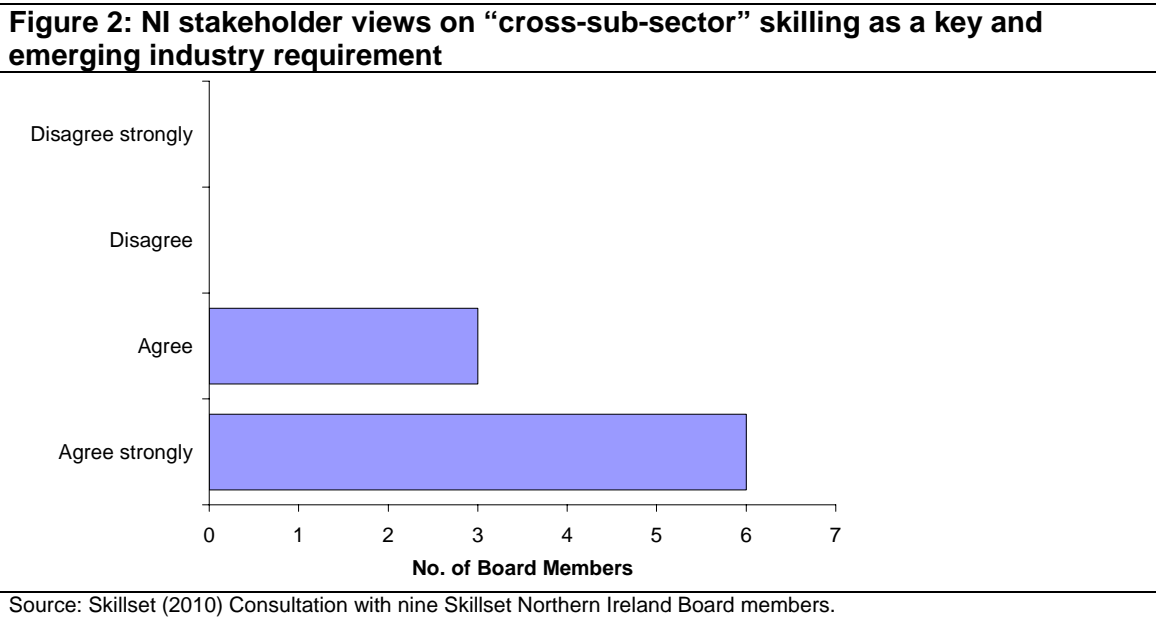
The first issue regarding skills needs in Northern Ireland is the requirement for better intelligence – for example, a skills audit of all individual funded projects, to better understand demand, supply and any skill deficiencies, could provide extremely useful evidence to address skills needs and could almost certainly be undertaken without incurring a large cost. This was a recommendation arising from a meeting of NI stakeholders, where most employers present said they would be willing to share information in order to help the spread of knowledge in the industry.

Perhaps the greatest single movement in skills requirements in the Creative Media Industries has been due to advances in digital technology, transforming the ways in which content is produced, aggregated and distributed. New platforms require not only new technical skills, but also the development of new business models, flexible and adaptive management and visionary creative leadership. Traditional production processes are being questioned, and new techniques rapidly move from “cutting edge” to industry standard. Although the importance of learning the skills to use technology cannot be overstated, the benefits of a fully digital workflow will only impact when production staff embrace and adapt to the collaborative working enabled by new techniques.

This rapid development in technology is of course shaping consumer preferences for media content consumption and in turn the skills demands of the industry. **An increasingly important feature of the Creative Media sector, and one NI stakeholders agree with strongly (Figure 2), is that individual workers must often be able to demonstrate a portfolio of skills that were once specific to a particular sub-sector.** This “cross-sub-sector” skilling requirement reflects the increasing convergence of digital media platforms and is likely to represent the future of the industry. It was considered important that education and training provision in NI be adapted to reflect this “cross-sub-sector” and growing technology skill requirement.

Consultations with NI Publishing companies have also drawn attention to the changing skill needs of the industry due to advancements in technology and changing business delivery models. Skills identified as becoming increasingly important over the next decade include an individual’s ability to work across a range of platforms including print and digital, being able to gather and deliver content in different ways e.g. uploading

content and videos onto websites and the ability to design websites with attention to content layout.



It is not only the technical skills and qualifications that matter when looking forward. Softer skills are also important. Consultations with Publishing employers in NI⁵⁴ identified the following skills as being key to the Publishing industry’s (i.e. not representative of the Creative Media Industries as a whole) success:

- Communication skills
- Interpersonal skills
- Writing skills
- Ability to compile information
- Design requirement - design and article layout skills
- Creativity
- Self motivation and the drive to succeed.

Demand for training and development at the current time is high⁵⁵ and more companies consulted in 2009 reported an increase in requests for training (22%) than a decrease since the recession began.⁵⁶ Research has revealed that **the most common areas of training in NI were reported as relating to multi-platform content and editing (with**

⁵⁴ Skillset (2010) Publishing Sector Skills Needs Analysis for Northern Ireland

⁵⁵ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey.

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

one fifth of employers identifying this need). One in two people declared a current need for training – the same proportion as the UK as a whole. More than half (51%) had undertaken training in the previous year, receiving an average of 9 days each (an increase from 6 days in 2005); however, when set in the context of the UK figures of 60% and 11 days respectively⁵⁷, NI's oft-quoted economy-wide 'training deficit' once again seems apparent⁵⁸. **Comparing NI employees with freelancers, the latter were more likely to claim to need training (57% v. 51%)⁵⁹.**

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

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

3.2 Skills Shortages

In common with other parts of the UK, **most areas of the Creative Media Industries in Northern Ireland are characterised by an oversupply of potential new entrants.** One result of this has been a high level of voluntary or unpaid working, for example nearly half the UK workforce in Creative Media report having worked unpaid in order to get into the industry⁶⁰. Another implication of excess supply is that the level of qualifications demanded, which acts as a signal if nothing else, rises, to the extent that many new entrants require graduate qualifications even if the most in-demand skills are practical / on-the-job orientated. Promotion within certain sectors is also said to be very much dependent on holding qualifications. The danger here is that any qualification below university level, no matter how relevant, may not even be considered.

Mismatch of applicants' skills to the needs of the job is however a common issue, and experience in work is often a much greater priority than any specific qualifications.

⁵⁷ Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing.

⁵⁸ For example, see the Oxford Economics reports "Economic impact of migrant workers in NI" (2009) and "Skills demand forecasting in NI" (2008), published by the Department for Employment and Learning.

⁵⁹ Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing.

⁶⁰ *ibid*

But in response to comments and requests made by employers in the Digital Circle trade association in Northern Ireland, Skillset is currently undertaking a scoping exercise to address, among other issues, the perception that new graduates are not fully equipped to deal with the latest software and are lacking in high-level creative and entrepreneurial skills. Once this research has been analysed we will consult with industry and the Skillset Northern Ireland Media Academy to explore areas where co-operation between the two could be improved pre-graduation (apprenticeships and internships) and to develop CPD courses required to up-skill the existing workforce.

This oversupply, however, does not prevent what is commonly acknowledged as a significant supply-side challenge in the Northern Ireland Creative Media Industries – namely a skills shortage in numerous more technical occupations such as Broadcast Engineering, Post Production, Archiving, Visual Effects and Animation, and roles in Publishing such as sub-editors (these were identified by the NI Skillset Board and other consultations with industry).

A further problem noted by stakeholders in Northern Ireland is the challenge of ‘establishing’ newcomers following entry level recruitment, since time and resources are needed to provide essential training under tight budgets. The early career progression of new entrants can be slow in these circumstances, though a ‘vicious circle’ exists whereby required resources often remain elusive in the absence of commercial success, which itself partly depends on the calibre of the workforce and their skills.

Across the Creative Media Industries in the UK and NI, more generic ‘transferable’ skills that are in short supply from new entrants include production skills for multi-platform content, understanding of intellectual property legislation, management and leadership, and commercial acumen. These shortages mean that in NI, many firms still import the labour they require to compensate for the inadequate supply of local talent. This is particularly true for NI Screen-funded film productions, which in recent years have typically had at least half of total cast and crew coming from outside NI⁶¹.

Across the UK, the most common areas of training identified by Creative Media employers are related to new and digital technology (one in four people)⁶². In addition

⁶¹ Consultation with NI Screen, January 2010.

⁶² Skillset (2009) From Recession to Recovery,. Based on a sample of 262 employers.

management and leadership skills to take advantage of and monetise this content are a priority for the sector (cited by one in ten people)⁶³.

Multi-skilling competence is a significant requirement of digital media workflow, from content creation and production to metadata management. Yet there is a shortage of new people in the industry equipped with 'T-skills' - highly specialised in one core field, but with broad skills and knowledge to utilise their specialism across teams and platforms⁶⁴.

As in NI, **broadcast engineering** has long been recognised as a skills shortage area across the whole of the UK. A combination of lack of new recruits; inappropriateness of training provision in further, higher and commercial education; an ageing profile of the workforce; lack of a framework for continuing professional development; and the rapid impact of technological change has meant that many companies feel this area is a priority for action⁶⁵.

Visual Effects (VFX) is dependent on highly specialised technical and artistic skills that are also in considerably short supply globally. Visual Effects companies are recruiting from all over the world to meet that demand for specialised technical roles, and VFX has been placed on the Home Office skills shortage list⁶⁶.

3.3 Skills Gaps

One in two companies in the UK Creative Media Industries reports skills gaps, and the most commonly reported are those concerned with specific software applications, and understanding and exploiting digital technological advances.⁶⁷ New skills are needed to meet demand for quality content on *any* platform; this multi-platform capability is the second highest skills gap among the workforce⁶⁸. The most recent research shows this is one of the top three skills gaps resulting from the recession, cited by one in four⁶⁹.

⁶³ Skillset (2009) Archives Skills Strategy, Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing.

⁶⁴ Skillset (2009) A Skills Review for the TV & Radio Sector; Skillset/UK Film Council (2008, 2005) Feature Film Production Workforce Surveys. Figures exclude Photo Imaging and Publishing.

⁶⁵ Skillset/IABM (2009) Final Summary Report from the M.TEST Project and Recommendations.

⁶⁶ Skillset Submission to the Development of MAC Shortage Occupation Lists, 2009.

⁶⁷ Skillset (2009) From Recession to Recovery. Based on a sample of 262 employers.

⁶⁸ Skillset (2008) Creative Media Workforce Survey

⁶⁹ Skillset (2009) From Recession to Recovery. Based on a sample of 262 employers.

The Skillset National Advisory Board for NI has identified a need for additional skills in the Post Production sector in the Province particularly in relation to CGI and VFX. The continuing growth of the Film Production sector here and the expected expansion in Television drama and factual programming (as a result of the BBC's increase in network spending in the nations and regions) are creating a demand for this expertise which no company in Northern Ireland is currently offering.

Management, leadership and commercial acumen are major development needs across the workforce in all Creative Media Industries, particularly in relation to project and production management for multi-platform (though it must be said that this particular skills gap is common across most NI industries)⁷⁰. On a senior management level, gaps in negotiation and leadership skills are frequently associated with the challenges of managing the change from traditional to digital. Typically lack of managerial skills arises because persons are recruited from technical positions without significant experience in management. The Skillset NI Board has also identified a shortage of executive and senior producers with the necessary skills and reputation to win and manage commissions at network level, though there are a substantial number who can point to significant experience at regional level.

A slightly different, but as important, skills gap exists in the Publishing industry. From discussions with industry, the commercial side of the business tends to attract many graduates from differing subject backgrounds for example business related subjects, marketing etc. Despite having a graduate qualification, many graduates tend to lack the specific skills and flair needed for a position in sales. Some consultees mentioned that a course either through HE or FE focussed on sales and commercial skills in Northern Ireland would be beneficial to the industry. For example a sales equivalent course to CAM (Communication, Advertising and Marketing) which is offered at Jordanstown would be a suggestion.

Overall, Creative Media professionals need to become increasingly multi-faceted and have transferable skills. Ideas often need to be multi-disciplinary and media neutral so that they can be applied down a number of channels. The increasing importance of digital content has led to a growth in the value of specialists in this discipline, expanding existing roles and creating entirely new roles. This has the knock on effect of increasing employee churn and higher salaries. Across industry, people are required to have a

⁷⁰ Skillset (2009) From Recession to Recovery (based on a sample of 262 employers), Skillset (2008) Creative Media Workforce Survey, Skillset (2009) A Skills Review for the TV & Radio Sector.

broader understanding of technologies related to their function, be it software, hardware or communication technology.

3.4 Skills Supply

3.4.1 Skills Supply: the Education System

Considering the education system and the workforce of the future, a suite of issues affect the growth of the Creative Media Industries. Northern Ireland is recognised as having a highly qualified workforce, yet the relationship between education and the Creative Media Industries remains unproductive. For example:

In Higher and Further Education

- Across the UK, there are 13,000 media programmes at Further and Higher Education levels serving an estimated 50,000 students⁷¹. 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. The increasing prospect of severe funding constraints across the HE sector in future years only exacerbates the concern that the gap between ever-changing industry needs and more slowly-evolving HE course content could widen substantially and further hit industry competitiveness. However it could also be used as an opportunity to prioritise funding to a smaller number of more appropriate courses, which could start to address the problem of both an excess supply overall and an excess number of less specialist, industry-relevant courses.
- Employers are keen to promote greater take up of Sector Skills Council-backed courses and accreditation services. The fact that major Creative Industries employers in Northern Ireland have actively engaged with a number of courses offered by the Skillset NI Media Academy illustrates a growing appreciation of the need to help the education sector meet industry needs. Furthermore the Skillset NI Media Academy reports that the number of students applying for its courses has almost doubled since it achieved Skillset's accreditation and licence.
- Barriers remain in creating cross-disciplinary pathways in education that would add significant value for the Creative Media Industries. To support progression there is a need to bring students together across disciplines to collaborate, innovate and pursue

⁷¹ http://www.universitiesuk.ac.uk/Publications/Documents/Facts_creative%20sector09.pdf

new research and development. Industry needs to be more engaged with Higher Education to help shape provision, support delivery and provide work experiences that enable graduates to become more work ready.

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

Without downplaying the importance of higher level skills development and qualifications, it is also worth recognising that not all entrants to the Creative Media sector need to be graduates. The value of practical work experience continues to marginalise the attainment of specific qualifications in gaining a first job, in spite of the pronounced trend of recent decades towards greater participation in higher education.

The failure of some specific media studies disciplines to establish credibility amongst industry employers has meant that many new entrants to Creative Media hold a degree which is not highly demanded by employers: for these people, the three years of study may have been better spent gaining practical work experience, while for other talented potential recruits the lure of greater financial rewards elsewhere may see them lost to the industry.

Establishing a clearer and more mutually beneficial relationship between higher education and Creative Media employers remains a major challenge relevant across both NI and the rest of the UK. In return for making course provision more industry-relevant, education institutions want to see the Creative Media Industries offering more work placements.

As one specific example of the current gap between education supply and industry needs, a film studies course at a NI university has become increasingly theatre-focused and is felt by some industry stakeholders to require much greater consideration of the more technical skill demands of potential graduate employers. Some stakeholders also feel that no Creative Media Industries-related course exists in NI that provides students with a sufficiently broad industry offering across an appropriate range of skill and technical areas.

However there are some notable strengths of the higher education and training offering in NI to the Creative Media Industries. There is a consensus that the journalism course

content at the University of Ulster, Coleraine is of the highest quality, being NCTJ accredited. Other courses include Design and Communication at Magee offering study in the fields of animation, graphic design, illustration, 3D product and design, interactive and moving image design and also Interactive Media Arts at Coleraine which has recently become part of a consortium of courses in the Northern Ireland Skillset Media Academy.

Northern Ireland is unique in the sense that it shares its border with the Republic of Ireland which has implications for the Creative Media Industries in terms of labour mobility and transferable skills. The University of Ulster has highlighted the need for a joined up approach to addressing the skills needs of the Creative Media Industries given the proximity of the two jurisdictions. This has been highlighted in their tender for the Interreg 'Special European Union Programmes Body (SEUPB) - Appointment of a Lead Partner(s) with Project Partners to Deliver the Creative Industries Programme' in which NI Screen, Skillset, UoU and the Skillset Academy are partners. At the time of writing this report, the Interreg bid has been suspended by the SEUPB. It is understood that it will be re-launched shortly. If successful this bid would aim to create a senior management team from across the creative industries, north and south of the border. Skillset would be a part of this along with many other agencies in NI.

In schools and colleges

There have been moves to improve Creative Media provision in the pre-18 education system. In 2005 a new A/AS Level in Moving Image Arts was launched and from September 2009 it has also been taught as a GCSE.

As in the UK, there remain significant issues with careers advice. Students generally are not receiving high quality advice to help them understand the opportunities across the Creative Media sectors and make appropriate subject choices. This is partly understandable as some Creative Media sectors are still relatively new and unknown, and there is a tendency for NI school leavers to be attracted to careers perceived to be 'safer' and more predictable, e.g. medicine, law, accountancy and teaching.

The online site Skillset Careers⁷² has been established to help rectify the gap in relevant careers information, advice and guidance for the Creative Media Industries.

3.4.2 Skills Supply: Workforce Development

⁷² www.skillset.org/careers.

Demand for training remains high across the UK Creative Media Industries, though numerous barriers to training remain a challenge. **In 2008, slightly less people in the NI Creative Media Industries workforce (85% compared to 90% in the UK) reported barriers or obstacles to training.** Overall, the most common barriers were the difficulty in assessing the quality of courses (39%), available training was in ‘inconvenient places’ (33%) and that fees are too high (31%).⁷³

Compared to the UK-wide responses, less NI employees and freelancers claimed that employers were unwilling to pay for training.⁷⁴ A number of NI stakeholders also feel that with funded training courses (such as those of Invest NI) tending to be short – typically three days or less – there is insufficient provision for a meaningful learning opportunity.

For many NI employers there is a perennial conflict in terms of resourcing. Time and budgets are usually tight – a problem exacerbated by the fact that most NI firms are very small – and the high opportunity cost of senior staff time even provides a barrier to important forms of in-work training for less experienced employees, such as mentoring and work shadowing.

Research revealed that there were considerable differences between the experiences of employees and freelancers in training participation. **A far higher proportion of NI freelancers than employees reported virtually every type of barrier.** For example, NI freelancers were more likely to fear losing work due to committing time to training (47% vs 4%), and the possible loss of earnings too high a risk (36% vs 5%)⁷⁵. In fact, a key skills development issue – particularly in NI – is almost certainly to provide greater recognition and consideration of the needs of freelancers, on whom so much of the Creative Media sector’s performance depends. This was an issue where key NI skills stakeholders unanimously agreed in the survey of creative media stakeholders⁷⁶ (Figure 3).

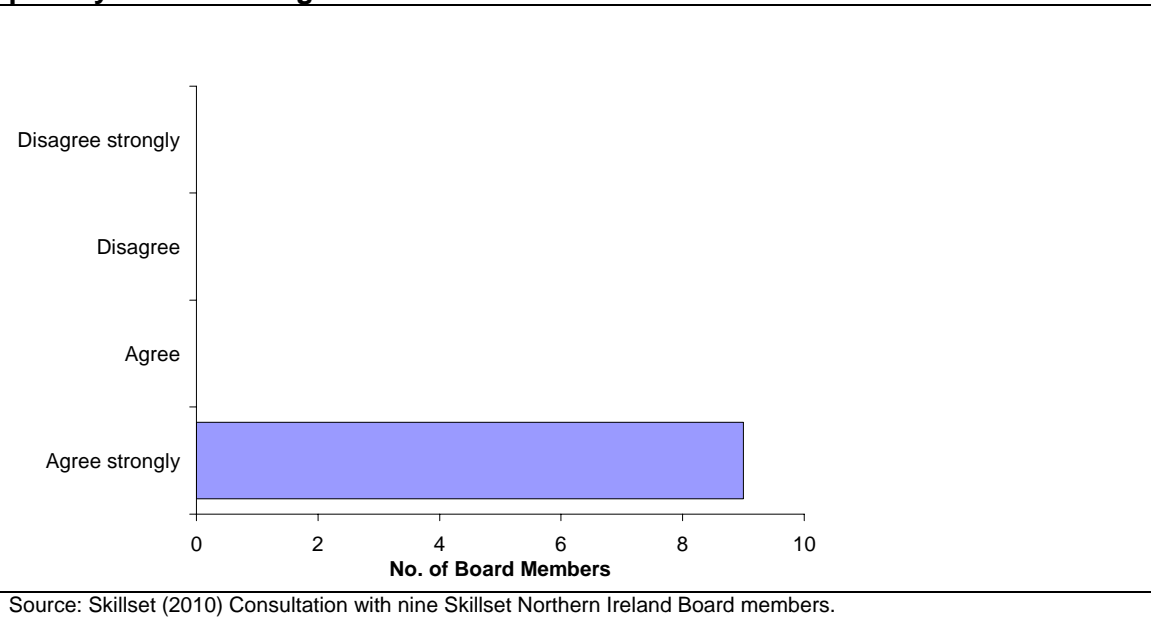
⁷³ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey.

⁷⁴ Ibid (24% in NI against 29% in UK)

⁷⁵ Ibid

⁷⁶ Skillset (2010) Survey of NI Creative Media Stakeholders (Skillset Advisory Board Members). Based on a survey of 9 Board Members.

Figure 3: NI stakeholder views on the need to give greater consideration and priority to the training and skills needs of freelancers in Creative Media



The only barriers more widely reported by NI employees than freelancers were difficulty assessing the quality of courses, employers being unwilling to pay for training and a lack of information available⁷⁷. More recently, in the UK, one in two Creative Media companies reported that their ability to deliver training has been affected by the recession, no doubt as training budgets are one of the first cut when cash flow performance weakens⁷⁸.

A particular issue for NI, as for many other northern UK regions, is the challenge of establishing national and international credibility with indigenous productions. Not only is this a key issue for staff recruitment and retention (regardless of the quality of the outputs, the name of the parties involved is often a more important reputational factor), it also impacts upon the credibility and transferability of on-the-job training. For example, for this type of training to be recognised and perceived as credible, employees need to be recognised as having made a valuable contribution to a reputable production. In the absence of this perceived external credibility, employees sometimes fail to enjoy the same rate of returns to training – in terms of career progression and reward – than they might in places like London.

Furthermore, a key issue in terms of workforce development for the digital economy across the UK is the key role of leaders and managers in the Creative Media Industries in

⁷⁷ Skillset (2008) Creative Media Workforce Survey (excludes Film Production, Publishing and Photo Imaging)

⁷⁸ Skillset (2009) From Recession to Recovery. Based on a sample of 262 employers.

creating new business models and exploiting the opportunities provided by digital platforms. SMEs in particular need help, which is not currently widely available, to understand the potential, find new approaches to content creation and Intellectual Property exploitation, and develop new business models for growth.

3.4.3 Skills Supply: Diversity

A particular issue in terms of skills supply into the Creative Media Industries is the changing profile in terms of women and Black, Asian and Minority Ethnic representation, which has fallen sharply in recent years in some sub-sectors, along with an increase in people leaving the industries in their thirties and forties⁷⁹. In addition, the industry's traditional reliance on an extremely young workforce may in the future be challenged by the changing demographics of fewer young people coming through the education system. A workforce representative of our population is key to economic success and '...organisations that want to do business with this changing population realise they'll have a better chance if the make-up of their own workforce mirrors that of their potential customers'.⁸⁰ If this is not addressed fast it could potentially represent a major gap in qualifications and experienced talent with implications for the industry at large. In Northern Ireland the issue of diversity tends to focus more on the question of the perceived religious make-up of the workforce and, to a lesser extent, on questions involving disability. Levels of BAME representation in the general population have always been low and this is reflected by the small numbers in the Province's Creative Media Industries.

⁷⁹ 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.

⁸⁰ From Samir Shah's address to the audience of a recent RTS Fleming Memorial Lecture.

4 Anticipating What Lies Ahead

4.1 Growth Potential

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 billion⁸¹. 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 (we assume this refers to GVA and not employment), and, by 2013, would employ 1.3 million people. Baseline forecasts provided by Oxford Economics to ACNI, for the wider Creative Industries, predict annual average employment growth of 1.5% pa 2010-2015 (compared to 2.3% pa in the five years pre-recession).

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 iTunes⁸².

In Northern Ireland, the sectoral outlook is generally positive if potentially mixed across sub-sectors. NI Screen, the national screen agency, foresees strong growth in opportunities across all its core areas of responsibility including Film, TV drama, other TV and digital content. According to the NI Skillset Board, it is not considered that the industry faces a skills supply ‘car crash’ in future even if it continues to expand.

The prospect of an increased BBC regional spend is however a major growth opportunity and one of potentially few major economic opportunities for NI during the post-recession era of reduced public spending, though a skills bottleneck may arise from potential Ofcom requirements for a high proportion of employees to be NI residents. Elsewhere, print journalism faces a less certain future

⁸¹ PWC UK (2008) Global Media & Entertainment Outlook 2008-2012.

⁸² ‘UK creative industry to drive significant growth to UK economy’, Press release, NESTA 19/02/2009.

given changing consumer preferences in accessing news and information – potentially there is a risk of losing journalism skills from the industry if this talent cannot be utilised or re-skilled and transferred to other sectors. For example, the BBC NI On-Line Department and the Skillset NI Media Academy have both recently organised workshops and seminars involving Independent Television Production companies and digital content providers (e.g. web page designers, games designers) to explore the opportunities which may be offered by the BBC's increase in network spend in Northern Ireland and by the developing concept of 360-degree commissioning.

Many analysts predict that traditional incumbent companies will remain dominant, sometimes through acquiring companies with a strong digital presence⁸³. The opportunities presented by developing technology may be beyond the scope of almost all single companies, even large established multinationals or conglomerates. Alliances and partnerships will therefore be formed for opportunities to be realised, commonly with technology companies, and sometimes with companies that will be competitors in other markets. There is significant potential for levels of collaboration and co-working to be increased in NI, particularly given the smaller-than-average nature of many of its Creative Media companies and the relatively high prevalence of freelancing. This could help NI firms to compete in UK and international markets and to attract and retain talent.

Given that during the recession sector employees are likely to become freelance when faced with redundancy or the threat of redundancy⁸⁴, 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.

⁸³ Skillset (2008, 2009) Strategic Plan 2008-2011.

⁸⁴ Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing.

4.2 Changing Skills Needs

Across all Creative Media Industries, there is recognition of the dramatic changes brought about by the digital environment and the need to up-skill to make the most of it. The following are of particular importance in Northern Ireland⁸⁵, especially given the number of SME's, micro-businesses and freelancers operating in most sectors:

- 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. In Northern Ireland a significant number of journalists have recently lost their jobs, midway through their working lives, with the main broadcasting organisations and are seeking, through the Province's branch of the NUJ, opportunities to train in the new skill sets associated with the delivery of on-line content.
- 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, commercial acumen and entrepreneurial skills: the Skillset National Advisory Board for Northern Ireland has identified the development of these skills as essential for the future health of the Creative Media Industries in Northern Ireland, especially, the need for more senior and executive television producers, project management for multi-platform development; the hybrid skills combining effective leadership with innovation, creativity and understanding of technology, and the analytical skills to understand audience interests and translate it into business intelligence.
- IP and monetisation of multi-platform content: understanding of intellectual property legislation to protect from piracy, and exploiting intellectual property internationally to take full advantage of emerging markets - with particular focus on the ability to deal with the problem of illegal downloading and copyright infringement.
- Broadcast engineering: continuing to be an area of skills shortage.
- Archiving: archiving of digital content being an area which is attracting increased attention as a challenging issue for the future.

⁸⁵ Skillset (2008) Creative Media Workforce Survey, Skillset (2009) A Skills Review for the TV & Radio Sector; Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. Figures exclude Photo Imaging and Publishing.

- Sales and marketing: being particularly important in commercial radio and an emerging need in other sectors.

There also needs to be particular recognition of the needs of the freelancers upon whom so much of the Creative Media Industries depend.

Of course the major challenge is translating the above changing skill needs into education and training initiatives that address these needs. The reality is that academic courses are not particularly suited to meeting these needs, with instead work experience, mentoring and apprenticeships etc more appropriate.

Even where academic or even vocational courses are appropriate, NI faces a critical mass problem in that it will be costly to offer niche courses for potentially few students.

5 Geographical Differences in Labour and Skill Needs

5.1 Sector Employment across NI

Within Northern Ireland, it is difficult to comment on the distribution of Creative Media employment given data limitations. However using what data is available from DETI's bi-annual Census of employment, reveals that Belfast dominates the Radio and TV sector (in employment terms) but is less dominant in Motion Picture / Film and Newspaper Publishing (though Belfast still has between two-fifths and half of jobs in these sectors). **No other area in NI however has any significant concentration or clustering of Creative Media sector employment outside Belfast**, for example, Newspaper Publishing employment is relatively evenly distributed.

Though Belfast is of course the natural choice for the largest organisations to locate, key infrastructure and supply chains are spread much more evenly. For example, the Skillset NI Media Academy consists of 4 partners led by the University of Ulster at Coleraine, together with the Belfast Metropolitan College, the North-West Regional College in Londonderry and the Southern Regional College in Newry; both BBC NI and UTV have a series of remote studios and news correspondents across the Province; the BBC has it's offshoot local Radio station, Radio Foyle, based in Londonderry; and there are 13 Community Radio stations around Northern Ireland with almost 1,400 volunteers.⁸⁶

5.2 Characteristics of the Workforce

Most key occupational groups within the industry operate within a national or international labour market; people will generally need to be willing to travel to wherever work is in order to develop or sustain a career in the industry. **In Northern Ireland, skills supply constraints mean that a significant proportion of talent is imported, particularly in the Film sector.** This is generally viewed as unsustainable, for financial reasons (workers willing to relocate internationally are typically highly paid), mobility reasons (imported labour is often 'footloose') and the practical concern that the continued importing of labour will inevitably restrict

⁸⁶ Skillset (2009) Employment Census

opportunities for indigenous and particularly young indigenous workers to further their careers.

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

This section contains recommendations common to the UK as a whole alongside those particularly relevant in Northern Ireland. Despite the economic downturn, the feedback from key industry stakeholders in the Province, particularly the BBC and the Northern Ireland Screen Commission, suggests that there are grounds for some optimism as development continues and work grows in the film and network television sectors.

Strategic recommendation: The sectors at the heart of the creative economy should continue to receive attention as sectors of strategic importance, with priority placed on their skills needs. Building on the policies set out in ‘Higher Ambitions’ and ‘Skills for Growth’, government (the Northern Ireland Executive and Assembly in particular) and business should work more closely together, with employers having increased influence and investment in the skills system and with government policy enabling greater tailoring of skills strategies to meet the high level skills needs of these sectors. A more strategic, flexible approach to co-investment with employers and individuals should be established for all the skills on which Northern Ireland’s creative economy depends.

Increase investment in a current evidence base that provides the strategic intelligence to routinely inform i) the ongoing development and currency of all the other policy recommendations listed below and ii) 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 representatives⁸⁷ 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

⁸⁷ <http://www.skillset.org/research/committee/>

and Government Skillset's Research programme can grow alongside the growth of the industry and do much more, efficiently provide a greater level of granularity.

Many of the actions below have been developed as part of the wider Digital Cluster Group and in that report are presented in conjunction with recommendations aimed at the Technology sector and wider Creative Content sectors represented by Creative and Cultural Skills.

The recommendations below are those aimed at the Creative Media Industries only.

6.1 To Develop the Existing Workforce

The existing workforce in Northern Ireland's Creative Media sector is well-qualified and highly-motivated and provides a strong base on which to build for the future; but to generate wealth from the creative media economy the Province, in common with the rest of the UK, needs to continually develop its existing workforce to compete with the best in the world for creating content. Northern Ireland needs to build a reputation for excellence in order to boost its credibility and its competitive position both in the UK and in global terms. This encompasses not only the professionals responsible for the content, but also the leaders and managers in all organisations, who need the capability for developing new types of teams, navigating new financial sources and building new business models. There is also a need for a mindset change amongst elements of the workforce in the industry, whereby they need to recognise, accept and adapt to the changing nature of skill requirements in the industry, particularly in a smaller market like Northern Ireland.

Specific recommendations for action in key areas are as follows:

a. Leadership and Management Skills

This is a constant theme running throughout this document and it is closely tied to the need to dramatically increase the credibility of the local Creative Media Industries at national and international level. This is particularly true in the broadcasting sector where Skillset has identified particular shortages at Executive and Senior Producer levels, a lack of understanding of intellectual property legislation, and a lack of vision in identifying and exploring new markets and methods of product distribution. Senior figures in the broadcasting organisations and the independent production sector will need to recognise these key issues and work closely with Skillset and the Skillset Northern Ireland Media Academy to address training provision in these areas.

b. Entrepreneurial Skills and Commercial Acumen

In a small market like Northern Ireland it is essential that our Creative Industries punch above their weight in terms of business skills and this issue is closely related to **a.** above. However, apart from the broadcasting sector, the need for these skills has also been identified as crucial to the competitive potential of the digital content sector in the Province. Again, this must involve the Skillset Northern Ireland Media Academy in developing relevant courses in CPD – offering new short courses to up-skill the existing workforce and to re-skill career changers.

c. Multi-Skilling and Skills Transferability

Convergence of skills and the continuing need for efficiencies are key drivers in this area. In Northern Ireland we are already witnessing, for example, the changing role of the broadcast journalist who is now often expected to shoot and edit as well as write and present. Furthermore, in such a small marketplace, it is vital that we develop a workforce capable of transferring skills between the film and television drama sectors. In the Publishing sector, which has been so badly affected by the recession, the need is now urgent to up-skill not only the remaining workforce but also freelance journalists and those who have been made redundant; to help them recognise the potential of multi-platform delivery, the need for better marketing skills relevant to a digital environment, and to develop the necessary and relevant range of skills. Employers and individuals need to engage positively with organisations such as the Skillset Northern Ireland Media Academy, the Northern Ireland Screen Commission, Digital Circle, the NUJ and the BBC Academy to develop short-form courses and key 'on-the-job' training opportunities.

d. Technological Skills and Change

TV digital switchover in 2012, High-Definition and 3D are key elements in the growing pace of change and yet, in Northern Ireland we have obvious shortages of skilled individuals in such sub-sectors as broadcast engineering, post-production, archiving, and visual effects and CGI. With the expected growth in network television production in both factual programming and drama, allied to the continued growth of the film production sector, organisations such as Skillset, the BBC, the BBC Academy and the Northern Ireland Screen Commission need to work closely with independent production companies and the education sector to address these shortages urgently. This is not simply an issue for local broadcasters and employers;

it is also vital to ensure continued inward investment in the Province as a centre of production excellence.

6.2 To Encourage Collaboration and Networking

The benefits of collaborating with other firms and forming alliances are not only proven to generate tangible rewards for Creative Media firms, they are also an essential part of securing ongoing prosperity during the aftermath of a deep and damaging global recession. For example, in the concept in television of 360 degree commissioning, producers must be aware of delivering different content on different platforms – a television programme, an associated computer game, a website with additional information, scenes, interviews, etc., even merchandising (toys, DVDs, CDs, books, magazines). The proposed increase in spend in network television production in Northern Ireland brings the issue of collaboration into sharp focus with potential opportunities for producers to work with website designers, digital designers, computer games designers, etc. Therefore, in Northern Ireland, Skillset, Invest NI, the Northern Ireland Screen Commission, Digital Circle, BECTU and relevant government departments such as DEL and DECAL all have roles to play in:

- Improving awareness of the business benefits of networking and collaboration and access to relevant information on this for firms in NI
- Help firms and freelancers in NI to learn about the activities and location of other Creative Media firms in the region (and beyond, particularly in ROI and the UK)
- Facilitate a number of networking events for Creative Media firms in Northern Ireland, which should also feature presentations/discussion of the key opportunities and challenges
- Research the reasons why existing firms and freelancers in NI do not regularly seek to collaborate on innovation in Creative Media
- Potentially, offer financial incentives to groups of small firms to collaborate on new product and process development, following the model of successful initiatives in other areas (such as the Digital Hub Agency in Dublin or “Innovation Networks” project in the West Midlands⁸⁸)

⁸⁸ See the Phase 1 evaluation of this SME collaboration project for more information (“Evaluation of the Innovation Networks Project” by Regeneris Consulting, 2007). This report helps illustrate the value of a small, well-managed project in promoting collaboration and generating economic additionality. The findings of the forthcoming InterTradelreland report on business networks in Ireland (undertaken by Oxford Economics) will also shed light on common barriers to successful collaboration.

- Investigate and promote the potential for technological collaborations between Creative Media firms and relevant university/research centres in NI, particularly in the field of digital media.

There is also a need for the sector to engage with the education system to develop more relevant courses which reflect the current and future needs of the sector, and in return for industry to create more internship opportunities for students of Creative Media subjects.

6.3 To Develop Tomorrow's Workforce

Northern Ireland's Creative Media Industries need a vibrant recruitment pool with world-class skills to underpin its growth and development, its credibility, its future competitiveness and improved productivity. This means the education system must lay the foundations for young people to enter highly adaptable careers, and encourage all future business managers and leaders to continue to innovate and seek opportunities to support the growth and economic competitiveness of the sector that arise from industry developments including digital technologies. In addition, all young people should exit the education system with a complement of skills and knowledge that are required by industry and with a clear idea of the progression routes available to them.

The following are key areas for attention:

a. Improve the Relevance of Course Content

This is a continuing and vital process with employers in Northern Ireland, particularly within the digital and inter-active media sectors, expressing concern about the lack of relevant and practical skills demonstrated by new entrants. Therefore, much closer links need to be established between industry experts and higher and further education institutions to better inform the content and direction of relevant courses – building on the example of the work already done in this regard by the Skillset Northern Ireland Media Academy.

b. Apprenticeships and Internships

Employers in Northern Ireland whether large or small, need to better understand the practical long-term value of recruiting new entrants to the employment market who have already benefitted from meaningful work-placements. We need to further develop a relationship between industry and education which enables graduate

entrants to undertake employer-designed apprenticeships and shorter-term internships; provide for flexible training content designed for professional level jobs; remove barriers to SME participation; and enable different employers through cross industry collaboration to operate, where appropriate, a pooled approach to internships.

c. The Irish Language Broadcast Fund (ILBF)

As a result of the recent Hillsborough Agreement this Fund is to be extended for a further five years (and a related fund to support Ulster-Scots programming created). The ILBF has been identified by the NI Skillset Board as a training model which is working very well and from which lessons could be learnt. The purpose of the fund is to encourage and support production in the Irish language in Northern Ireland. Part of the Fund is set aside to train fluent Irish language speakers in a range of relevant production skills. The training is achieved through a series of courses and work placements. We are not suggesting an exact replication of this model as what it does is different to what is suggested in **b.** above. Rather an important point is an appreciation of the financial resources required to deliver successful training, and the outcomes that can be achieved if sufficiently funded.

d. Careers Information, Advice and Guidance

Excellent work is already in progress through the Education Department of the Northern Ireland Screen Commission to develop media literacy in our primary and secondary schools. This needs to be complemented by comprehensive IAG aimed at senior pupils to reflect the opportunities and challenges of working in the Creative Media sector. Skillset needs to work closely with careers departments and teachers to promote, in particular, the Careers pages on the Skillset website – an invaluable research tool and information guide for those interested young people.

Annex A Northern Ireland Creative Media Employment

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 Industries 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.

In addition, sample sizes for Northern Ireland are far too small to be published by official data sources for most SIC.

The Creative Media Industries and DCMS with Skillset first reviewed data available for this part of the industry from the ONS and other sources in 1999 and concluded that additional data are required to measure as a priority the size, shape and specific skills demand of the Creative Media Industries, its constituent sectors and large freelance labour pool to a granular and commonly understood sub-sectoral level, using bespoke methodologies to ensure adequate sample sizes. In some cases equivalent data cannot be generated e.g. GVA and GDP and so these measures exclude contributions from elements not served well by SIC e.g. Interactive 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 Industries from Skillset's primary research compared with estimates from official data sources. The table clearly shows the paucity of official data for the Creative Media Industries in Northern Ireland, where as noted earlier Interactive Content Design, Content for Computer Games and most of Facilities are not included at all, and reliable figures for those sectors that are included are only provided for Newspaper Publishing. The official data massively underestimates the scale of employment within the Creative Media Industries in Northern Ireland, only accounting for a proportion of employment, as illustrated by Skillset's industry endorsed primary research.

For more detail on the methodologies adopted please refer to: www.skillset.org

Table 4 Labour Force Survey and Skillset Creative Media Employment Estimates _ Northern Ireland

LABOUR FORCE SURVEY ⁸⁹			SKILLSET ⁹⁰		
INDUSTRIES			INDUSTRIES		
SIC 2007	Description	Total Employed	Main Sector	Sub-sector	Total Employed
60.2	TV Programming & Broadcasting activities	*	Television	Broadcast TV	500
59.11/3	TV Programme Production activities			Cable and Satellite	0
59.13/3	TV Programme Distribution activities			Independent Production	1150
	Sub-total	*		Sub-total	1,650
60.1	Radio Broadcasting	-	Radio	Broadcast Radio	2,050
				Independent Production	0
	Sub-total	-		Sub-total	2,050
59.12	MP, V, and TV Programme Post-Production	-	Facilities	Post production	100
				Studio and Equipment Hire	200
				Outside Broadcast	0
				VFX	*
				Special Physical Effects	0
				Manufacture of AV Equipment	0
				Processing Labs	0
				Other Services for Film and TV	50
	Sub-total	-			Sub-total
59.11/1	Motion Picture Production activities	*	Film	Film Production ⁹¹	300
59.13/1	Motion Picture Distribution activities	-		Film Distribution	0
				Cinema Exhibition ⁹²	-
59.14	Motion Picture Projection activities	*			

⁸⁹ONS Labour Force Survey April-June 2009.

⁹⁰ Skillset 2009 Employment Census except for Publishing, Photo Imaging, Creative Occupations outside the industry and where otherwise stated.

⁹¹ Secondary analysis of unit lists for 2006 feature film productions (80 minutes or longer and minimum budget of £500K).

⁹² Data for Cinema Exhibition are not available by nation or region

LABOUR FORCE SURVEY ⁸⁹			SKILLSET ⁹⁰		
				Moving Picture Archives and Libraries	*
	Sub-total	*		Sub-total	300
59.11/2	Video production activities	-	Other Content Creation	Animation	50
59.13/2	Video Distribution activities	-		Commercials and Pop Promos	300
				Corporate Production	50
	Sub-total	-		Sub-total	400
			Interactive Content Design	Interactive Content Design	1,800
				Sub-total	1,850
			Content For Computer Games	Content and Development	*
				Sub-total	*
			Additional Available Freelancers		-
74.2	Photographic activities	-	Photo Imaging⁹³	Photographic activities	-
74.20/1	Portrait Photographic activities	*		Portrait Photographic activities	*
74.20/2	Other Specialist Photography not Portrait	-		Other Specialist Photography not Portrait	-
74.20/3	Film processing	*		Film processing	-
74.20/9	Other Photographic activities; n.e.c.	*		Other Photographic activities; n.e.c.	*
	Sub-total	*		Sub-total	*
58.11	Book Publishing	-	Publishing⁹⁴	Book Publishing	-
58.12	Publishing of Directories & Mailing Lists	-		Publishing of Directories & Mailing Lists	-
58.13	Publishing of Newspapers	1,000		Publishing of Newspapers	1,000
58.14	Publishing of Journals & Periodicals	-		Publishing of Journals & Periodicals	-
		-			-
58.14/1	Publishing of Learned Journals			Publishing of Learned Journals	

⁸⁹ONS, LFS April-June 2009

* Figures suppressed due to unreliable estimates

⁹⁴Ibid

LABOUR FORCE SURVEY ⁸⁹			SKILLSET ⁹⁰		
58.14/2	Publishing of Consumer, Business and Professional Journals and Periodicals	*		Publishing of Consumer, Business and Professional Journals and Periodicals	*
63.91	News Agency activities	-		News Agency activities	-
63.99	Other information Service activities n.e.c.	-		Other information Service activities n.e.c.	-
58.19	Other Publishing	-		Other Publishing	-
	Sub-total	1,000		Sub-total	1,000
	TOTAL	1,000		TOTAL	7,550
OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY ⁹⁵			OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY ⁹⁶		
SOC 2000	Description	Total employed	SOC 2000	Description	Total employed
3432	Broadcasting Associate Professionals	*	3432	Broadcasting Associate Professionals	*
5244	TV, Video and Audio Engineers	-	5244	TV, Video and Audio Engineers	-
3434	Photographers & Audio-Visual equipment operators	*	3434	Photographers & Audio-Visual equipment	*
3431	Journalists, Newspaper & Periodical Editors	-	3431	Journalists, Newspaper & Periodical	-
5421	Originators, Compositors & Print Preparers	-	5421	Originators, Compositors & Print Preparers	-
3421	Graphic Designers	2,000	3421	Graphic Designers	2,000
	TOTAL	2,000		TOTAL	2,000
INDUSTRIES + OCCUPATIONS ⁹⁷			INDUSTRIES + OCCUPATIONS ⁹⁸		
	TOTAL	3,000		TOTAL	9,600

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

⁹⁵ 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.

⁹⁶ Ibid

⁹⁷ Ibid

⁹⁸ Ibid

Table 4 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 compatibility, 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. **Due to LFS sample size limitations for NI, there are few sub-sectors where it is possible to compare employment estimates from the two sources.**

Annex B UK Creative Media Sector Overview

In TV and Radio, the UK is particularly recognised for the quality of its public sector broadcasters alongside regulated subscription services such as BSkyB and Virgin Media). Exploiting broadband infrastructure to offer users 'on demand' services, the BBC launched iPlayer in 2007, and similar offerings have since been released by ITV, Channel 4 and Sky. TV has had particular challenges as advertising revenues shift online (see below), and the sector has seen a shift from employment in big organisations such as the BBC and ITV to the independent production sector.

Undoubtedly, the TV and Radio Industries are going through one of the most profound periods of restructuring and challenge in its history, in the face of convergent media and changing audience tastes and behaviour. As content created for television broadcast is increasingly available on, and viewed via, the internet 'content is king' and audiences seek programmes and content rather than channels and schedules. This convergence and change is happening at a faster rate than predicted, adding structural challenges to those posed by the downturn in the economic climate. Falling advertising revenue has already impacted directly on the sector, with significant job losses and reductions of commissioning and training budgets.

The UK has a strong heritage in IP creation in Video, Film and Photography – in the Film sector alone over the period 2001-2007, 30 of the top 200 films globally were based on stories and characters created by British writers, and British films account for 31% of UK box office receipts.⁹⁹ We have one of the most prodigious and highly respected Film industry's in the world which brings with it innumerable secondary economic opportunities and benefits. The current economic climate has posed challenges as it has across the whole economy and 2008 was a mixed year for the industry. The UK box office grew to a record £850 million. UK films took 31% of the UK box office and internationally UK films accounted for 15% of the global box office. The upward trend in the performance of UK film in the global market was reflected in the 2007 export figures, which saw UK film exports reaching a record £1,050 million. This figure captures the exports of production services and income from royalties, underlining the UK's international competitiveness.¹⁰⁰

⁹⁹ UK Film Council (2009) Statistical Yearbook

¹⁰⁰ Ibid

In total, the global market for all forms of Animation is currently estimated to be worth \$300 billion per annum. The UK has a significant position in this market, but the UK's animation industry faces a number of challenges and opportunities that will affect its various sub-sectors in different ways. In particular, the decline in commissions from commercial broadcasters and their advertisers presents a major threat to traditional 2D animators who are already affected by the growth of off-shoring to low cost centres of production.

The Facilities sector supports and underpins the creative talent in the field of television and moving image production in the UK, and to a growing extent the creative talents of overseas producers, by providing specialised technical services, technology and their associated skilled personnel. The sector faces profound changes in its technology and overseas competition. Those involved in the sector, directly and indirectly, must ready themselves to compete globally and find new opportunities in the global digital market place. The lack of available financing due to the recent economic situation is causing increasing damage to the sector, with many companies unable to raise capital to invest in new equipment.

The Interactive Content Design industry, in particular, which has grown at twice the rate of the UK economy as a whole over the last decade and forecasts continued growth and demand, is now worth several billions of pounds annually; and is becoming ever more sophisticated. Bringing technical and creative talent together; to understand each others language and skill-sets, to explore new types of content development, business models, legal and collaborative frameworks is the greatest challenge for industry.

The Computer Games industry in the UK has the largest number of Computer Games studios in Europe, and is the third largest produced in the world after US and Japan¹⁰¹.

The Publishing industry, particularly newspapers, is adversely affected by the impact of the recession on advertising and consumer spending. At the same time, Publishing companies are key players in the information age, as drivers of the e-economy¹⁰² and are making information available on an unprecedented scale. Google has made over half a million public domain books searchable online or downloadable. Creative Media distribution to electronic devices is growing, with content starting to appear for an ever widening set of devices - from the Kindle and Sony e-Book reader, to the publishing of Harper Collins' 100 Classic Book Collection for Nintendo DS.

¹⁰¹ NESTA (2008) Raise the Game.

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Annex D Acknowledgements

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