skillset
The Sector Skills Council for Creative Media

Strategic Skills Assessment for the Creative Media Industries

North of England
September 2010

Alliance Sector Skills Councils

VISION+MEDIA

Northwest Regional Development Agency

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Foreword

The Creative Media Industries in the north of England are evolving at a rapid pace. New digital technologies and commercial business models are offering us a fantastic opportunity to grow and flourish. Innovation is key to success in the creative Industries and it has never been more crucial for us to invest in skills to meet the challenges ahead. That's why the Skillset Northern Strategic Skills Assessment was commissioned: to examine our skills base and identify gaps and needs.

It gives me great pleasure to present these findings, which represent Skillset's latest research into the North's creative media industries.

This Assessment has been overseen by the Northern Media Skills Panel and is based on input from employers across the North. It attempts to present a comprehensive picture of the size and make up of the industry across our region and highlights key skills gaps, shortages and some recommended action plans. There will be other solutions too: this report is just a starting point.

These are exciting times in our Industry and change is both fast and unpredictable. The Panel believes we must act collectively – whichever branch of media we represent – in order to keep ahead of developments.

We are united in believing that the key to growth is an investment in skills and training.

In order to meet the challenges ahead, I believe that it's vital that Skillset and employers forge solid partnerships and share intelligence. We look forward to extending these relationships to include the new Local Enterprise Partnerships in due course.

I would like to thank the Northern Media Skills Panel for their input into this report and their commitment to implementing its findings. Among the employers and organisations represented on the Panel are BBC North, ITV, Channel 4, Lime Pictures, True North, Galaxy Radio, Sony Games, Numiko, Press Association, Trinity Mirror Group, Sumners, F451, Mob Films and BECTU. I would also like to thank Vision+Media and the North West Development Agency for their support for the production of this document. It is much appreciated and without them we would not have been able to generate such a valuable piece of research, which will benefit not only employers but also the next generation of media professionals in the north of England.

Tom Gutteridge

Chair, Skillset Northern Media Skills Panel

Chairman, Standing Stone Productions Ltd

Executive Summary and Recommendations

The North is home to 16% of the workforce that forms the Creative Media sector.[1] Most companies in the north of England in Creative Media are SMEs, many micro businesses employing fewer than 5 people. The industry in the North is also heavily reliant upon freelance workers – which make up around 29% of the Creative Media workforce.[2]

In the decade to 2006, Creative Media Industries across the UK enjoyed unprecedented growth. At a UK level however, the recent recession seems to have hit many sub-sectors within the Skillset footprint hard.[3] For example comparing the data from the 2006 and 2009 Skillset Censuses the North East has lost more than 50% of its freelancers and around 40% of its employees. However there has been considerable growth within certain sub-sectors in the North with the television production sector seeing a growth of 44% over the last 3 years, mainly concentrated in the North West which is almost certainly due to the development of MediaCityUK. While the computer games industry has flourished growing by more than 20% across the North.[4] Compared with Creative Media in England and the United Kingdom, the sector in the North is comparatively youthful with nearly 1 in 2 of the workforce being under 35 years old. BAME representation within Creative Media has grown across the North and now stands at 5%. Female participation in the North however is significantly below average (23%) compared to the wider Creative Media workforce (42%).[5] The Creative Media workforce across the North is also highly qualified with 70% having a least a graduate/level 4 qualification.

The skills challenges of the Creative Media sector in the north of England are similar to those faced by the Creative Media sector in the rest of the Country. The North is characterised by few large employers including major public organisations such as the BBC and private sector organisations such as ITV, Sony Games and McCann Ericksson and a plethora of small and medium size firms. Companies such as Lime Pictures based in Liverpool, the Press Association based in Howden in Yorkshire, and True North based in Leeds are in a minority. Freelancers make up a large part of the workforce, especially in the production sectors of film and television. As such the caveats around the public policy architecture required to support an external labour market, highlighted in Skillset's UK Strategic Skills Assessment hold true.

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

[2] Skillset (2009) Employment Census (all creative sub-sectors excluding Film Production, Photo Imaging, Publishing and Advertising)

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

[4] Skillset (2009) Employment Census; Skillset (2006) Employment Census

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

1. There are major variations in capacity across the North (some of the differences between regional centres in the North are bigger than the differences between the North and the south of England). Though most employers feel the economic recovery is underway and strengthening there are some concerns about how the Government's spending reductions will affect support for the BBC and the wider Creative Media environment and reduce the availability of good freelance talent. A number of digital agencies have closed recently across the North and agencies are seeking to recruit more freelance rather than permanent staff due to the current intermittent nature of work.

2. The skills challenges identified for organisations operating in the North were as follows:

- **Skills shortages**
  There are shortages of technological skills in areas such as special effects, scenic painting, carpentry, make-up artistry, vision-mixing, properly qualified electricians, animation and cross-platform skills among journalists. Some of this shortage is caused by two factors in particular – the general move South to London of the more talented and able craftspeople and the pull of drama productions in the summer months in particular where pay tends to be higher and kudos greater. Management and leadership skills pertinent to the sector are also in short supply and Lime Pictures, for example, has devised its own bespoke training and development provision to help cater to that gap while Numiko are using a course that helps develop creatives into stronger project managers and general managers. There is a growing need for technical project managers and creative project managers within the interactive content sector with project management skills that also have software knowledge. There is also a shortage of freelancers in the special effects areas.

- **Skills gaps**
  Many businesses operating in Creative Media in the North find the lack of capacity in existing employees to adopt a multi-skilling approach to a problem. Identified skills gaps include project management, business management skills (including personal, leadership and commercial skills), multiplatform skills, 3D skills for games animators, a mix of audio, visual, mobile and online skills for journalists, and workflow processes such as tapeless production skills for all production areas. New entrants are usually more adept at picking up and using digital technology. The Press Association, for example, is looking for graduates that have social networking skills and video production skills as they have developed a multiplatform approach to all their output. However training budgets have been cut and the ability to invest in older, often less adaptable workers, but nevertheless valuable for their experience, is curtailed. In the radio sector key problems remain around

the need for more senior business, finance, management and leadership skills. Greater cross-platform and/or convergent production skills including the ability to show innovation and creativity in cross-platform production and in the ability to generate a commercial return are also in short supply. The content for computer games sector are investing more effort in finding people with strong maths, physics, music and cross-platform writing skills.

Developing cashflow from digitalisation of content was an ongoing problem for companies in the North. The lack of online rights (which are owned by the commissioning companies) makes monetising digital content more difficult. Skills supply was similarly problematic for companies operating in the North. They face three inter-linked challenges. First attracting a diverse array of people with talent and experience to work in the North. Many experienced people from production to craft professionals have moved to London and the South. People such as good series producers are in very short supply. The North thus lacks critical mass in attracting people to move from London and the South East. However MediaCityUK is beginning to exert a positive impact in this regard. There are signs that more experienced people are beginning to return to the North. Substantial inroads have been made to increase the numbers of BAME people working in the industry across the North and schemes such as the Foundation Placement Scheme are placing an average of 71% of trainees (to date 88 people) into employment. However there is still some way to go as entry to the production industries has, in many cases in the past, been through friends and families. The impact of the BBC's move to Salford and the move of BBC Children's and BBC FM+T in particular will impact on the supply chain across many new digital media areas particularly around interactive content production. The BBC Academy North will also be important in this regard in the future in terms of ensuring a continuing supply of talent into the relevant parts of the sector.

3. Links between industry and the majority of higher education and further education institutions are often not strong. There is too little work-based learning in too many courses. The employers in the North do tend to recruit from institutions in the North so stronger links should ensure a better 'fit' between supply and demand. Skillset's Academies and Accredited courses are very much focused on closing this gap in 'fit'. Also too many young people do not have the general; 'life' skills for work. The ability to turn up on time, interact with people of different ages, communicate well. The so-called 'soft' skills that employers require. Higher Education Institutions alone cannot cope with all the demand for continuous professional development, new entrant and freelance training needs. Other providers both public and private are needed. The Advanced Apprenticeship in Creative and Digital Media, which was originally piloted in the North West and has been running for the past 4 years, is a good example of alternative new entrant provision. It is critical that supply side measures continue to provide a stream of highly qualified (to level 4 and above) entrants to the Creative Media sector as this is the quality of workforce the Creative Media sector requires to be competitive – a particular driver for the broader sector in the North.

4. MediaCityUK is a hugely important development for the region and is seen as a fantastic opportunity for the North West, Yorkshire and Humberside. It will certainly drive greater demand for CPD across most sectors of Creative Media and attract into the region, talent, investment and scale. There is less sense that the North East will benefit to the same extent. Expectations are that there may well be a short term brain drain of experienced and skilled people to the North West but that long term the development will benefit the whole region enormously. The BBC@North project, in partnership with matched funds from the Northern Screen Agencies, is developing a contracting model with companies across the North to encourage supply chain development across the North. However there is a residual fear that Manchester and MediaCityUK could have the displacement effect of a ‘London in the North’.

Recommendations

Entry Level Skills Development

- **Launch a Professional Apprenticeship and Internship Programme**

  Aimed at the Creative Media Industries to incentivise employers to recruit and train new entrants and graduates and grow the North's pool of experienced Creative Media professionals. This programme should, for these strategically important sectors, enable new entrants to undertake employer-designed Apprenticeships and shorter-term Internships and also provide for flexible training content designed for professional level jobs. It would help remove barriers for SME participation and enable different employers through cross-industry collaboration to operate a pooled approach to internships. These apprenticeships should be developed in association with those FE and HE institutions with which the sector already has close links. This might include the 4 Northern Skillset Media Academies (Salford University, Teesside University, Liverpool John Moores, Yorkshire and Humber), Leeds Metropolitan University, Trinity College in Leeds, York St John College in York and Manchester College (which is already delivering Advanced Apprenticeships). There are very few Creative Media employers who have the ability to "employ" an apprentice for a 15/18/24 month period as is the current norm in Government funded apprenticeships. Models for delivery of apprenticeship programmes therefore need to be looked at closely in partnership with employers. New models to explore for instance could be GTA or ATA models (Group Training Association/Apprenticeships Training Agency) whereby employers "pool" their needs and so apprentices are placed and rotated across a range of employers. For these models to work however it is vital that it is a managed and supported service. There is good evidence for the success of this approach from the current Advanced Creative and Digital Media apprenticeships managed by Vision+Media in the North West which shows that demand from employers is increasing year on year though not necessarily for full-time apprentices.

- **Promote the uptake of Apprenticeships and Internships**

  Urge the film and television industries to provide more equal access to training and skills-based career development through greater use of apprenticeships at all levels and graduate internships. Skillset will continue its work on developing codes of conduct for internships and will seek to play a greater role in the coordination of apprenticeships and on-the-job training.[6] Skillset will also keep developing relevant new offerings, such as the recently

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

launched Advanced Apprenticeship in Creative and Digital Media for those young people who choose not to take the traditional Higher Education route (which is being delivered in the North West as mentioned above).

- **Industry-recognised HE courses**

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

  Skillset will also work with partners to ensure that they are recruiting new students as widely and imaginatively as possible to attract the brightest and the best and to encourage a truly diverse range of candidates to enter the Industry. As part of those efforts Skillset will help create strong feeder links through from the increasing variety of courses already available for 14 to 19 year olds, including for example the new Creative and Media Diploma. More efforts will be made, coordinated by Skillset, to engage a more diverse population at school level with the idea of making a career in Creative Media.

- **Relevant, up-to-date Careers Information**

  The Creative Media Industries need a vibrant, well-skilled recruitment pool to underpin their growth and development. This means that young people must be equipped to leave the education system with the full complement of skills and knowledge that are required by industry and with a clear idea of the progression routes available to them. Skillset will therefore work to secure ongoing investment to a refreshed approach to an online careers and mentoring provision designed to help people get on and get into the Creative Media Industries. This is particularly an issue at HE and FE level where careers advice is generally felt to be weak.

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

  There is an opportunity to develop and deliver both an online and face to face service across the North which Skillset could explore with key partners such as Vision+Media who already have a bank of 20 fully trained careers guidance advisors/mentors all with current industry experience. (The network was originated in partnership with Skillset in 2002.)

- **Guidance to promote Work Experience that's fair to all**

  Publish new guidelines to help galvanise the Industry to do more to tackle the widespread use of unpaid work experience, which while developing skills, discriminates against those who cannot afford to work unpaid. Given the shape of the industry in the North and the importance employers place on gained workplace experience, course design needs to build in more workplace time.

CPD and Professional Development

Ensure that the foundations for greater CPD across the sector provided by MediaCityUK are fully exploited and in particular consider doing the following:

- **Launch a 'Digital Professional' Skills Development Fund**

  As part of a policy decision to accelerate the growth of the knowledge economy, this fund should leverage public funding to trigger increased investment in the development of content skills by employers, and should support high level skills development (graduate and post-graduate level). This would rapidly increase the scale and impact of the UK network of Skillset Screen and Media Academies, including those in the North, and enable greater participation of higher education and other supply side institutions in continuing professional development, while also supporting the development of new short courses and bite-sized online learning to up-skill the existing workforce and re-skill career changers moving from linear to digital careers.

  It would enable pioneering programmes of creative and technical work-based study to address cross-platform content development and the underpinning emerging collaborative processes and models which can be used to inform the development of HE provision and the change in culture required for effective delivery.

  Skillset should facilitate the pooling of training needs and budgets amongst companies in the North and develop a training brokerage service across the North where training budgets can be spent locally and individual employers can pool training needs with others to create economies of scale in certain areas such as specific craft skills.

- **Meet the high level skills needs of the Creative Media Industries**
    - *Higher Education (HE)*

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

    Working in partnership with industry, HE and FE to develop more courses based in the North of relevance to the wider sector. Courses in location management, scenic painting, electricians, production accountancy, management and leadership specific to the sector, computer games and cross-platform interactive digital content production are all required.

    - *Beyond HE*

    There is a need to stimulate further private and public provision across the North. Private providers, have until now, found it difficult to operate due to lack of capacity but as the market grows, due to the MediaCityUK development, this will change. There is a case for public support in the early stages to enable this private provision to be properly aligned to market needs.

- **Increase the Investment in Training**

  Encourage the BBC and other major Creative Media companies in the North to commit to investment in training for Creative Media professionals across the North. These efforts are a good use of public monies for a sector characterised by an unusually long tail of sole traders and SMEs without the profit margins to sustain large amounts of external training provision.

Fiscal and Business Support

- **Incentivise Employers to address Diversity**

  Investigate whether a new architecture of incentives can be created for the larger employers in the sector to employ people from more diverse backgrounds in larger numbers. Including looking at how to engage with schools. There is evidence that employers are willing to support initiatives that promote greater diversity in the North (i.e. Media Foundation Placement Scheme) but many are only able to support for short periods of time and so, like apprenticeships, support is needed to help them "pool" requirements. Employers have also expressed enthusiasm for initiatives within schools and in mentoring those already employed.

- **Better communicate the importance of the North as a destination for Creative Media professionals**
  Skillset to work in partnership with public agencies and employers to facilitate a new "Marketing the North" strategy to ensure more talent and experience comes to the North given the new opportunities opening up from MediaCityUK. Such an approach will require multi-stakeholder participation including local authorities, new Local Enterprise Partnerships (LEPs), Screen Agencies, PACT, and other bodies.

Invest in Research and LMI

- **Industry Intelligence that can identify skills and training issues**

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

  - the ongoing development and currency of all the other policy recommendations listed above;
  - the introduction of other essential interventions yet to be determined based on new evidence.

  To this end Skillset has launched a new Creative Media Workforce survey that includes publishing and photo imaging and film production freelancers. Data previously collected separately. It will also collect information from Creative Media employers and from employers in the wider Creative Industries. Finally it will map and survey training and vocational provision across the footprint of Creative Industries, taking the lead in working with all the other key public and policy agencies in the North in coordinating annual intelligence gathering.

  The Skillset Northern Strategic Skills Assessment was funded in partnership with the North West Development Agency and the Digital Media Skills Programme which is delivered by V ision+Media. *Vision+Media exist to help grow the digital and creative industry in England's North West. It does this by delivering projects and programmes that help creative companies and individuals (at all levels) in TV, radio, publishing, music, games, film and digital and creative services. Vision+Media's Skills department has a range of industry-led initiatives and funding streams to develop skills and talent, from entry-level placements and apprenticeships right through to CEO-level leadership training.*

1. Introduction

Skillset is the Sector Skills Council for Creative Media (see Box 1). 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 and 'multi-platform content' is key. A point emphasised heavily in the Skillset data and follow up qualitative research.

Box 1: Skillset's Footprint (Scope)

Skillset is the Sector Skills Council for Creative Media and Fashion and Textiles, representing twelve sub sectors which are grouped into six of the Creative Industries as defined by the DCMS. At the heart of the Creative Industries, the Creative Media sector includes companies involved in: advertising, 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. For ease in some cases the following sectors are referred to and grouped under the umbrella heading 'Audio Visual': film, television, radio, corporate production, commercials and pop promos, facilities, animation, interactive content design and content for computer games.

NB. For the purposes of this report data does not include figures for the advertising sector as they have only just come under Skillset's remit at the request of the respective industries. This sector will be included in the December 2010 Strategic Skills Assessments for Creative Media (that exclude Fashion and Textiles) including for the North. Skillset is also now responsible for the fashion and textiles industry and has produced separate analysis for these sectors available at: www.skillset.org/ssa.

The Creative Media sector is synonymous with the Creative Content sector and accounts for 70% of the value and estimated growth potential of the Creative Industries generally in the UK.[7]

For the purposes of this report when 'the North' is referred to it includes labour market data from three separate regions, the North East, the North West and Yorkshire and Humberside.

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

1.1 An Overview of Current and Future Skills Priorities

The North is home to 16% of the workforce that forms the Creative Media sector.[8] This rises to around 50% of those who work in the Facilities sector and falls to just under 2% for Film. As such many of the key recommendations in the UK Strategic Skills Assessment (SSA) apply to the North and this report should be read in conjunction with both the full UK SSA and that for England.

1.2 Research and Data

The analysis in this document is based on data and information from a number of sources. This includes sector-endorsed primary and secondary 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), 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 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 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 and this is particularly the case for analysis at a regional level.

Skillset is carrying out key research now to refresh the data presented in this document and provide more detailed analysis: www.skillset.org/playyourpart. For more information about Skillset's industry endorsed research programme please go to: www.skillset.org/research.

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

2. What Drives Skills Demand?

2.1 Contribution of the Sector

Creative Media Industries consist of a diverse range of market sectors, including television, Radio, film, publishing, content for computer games, photo imaging and more recently, from 2010, advertising and fashion and textiles. The data included in this report does not include information about advertising and fashion and textiles given how recently they have been added to Skillset's footprint. They will be included from next year after the current round of research has been completed (see Box 1 above for details).

In total the UK has the largest creative industry in the world relative to GDP, and is a world leader in culture and media, consistently in the top three achieving countries.[9] Recent figures show that the UK's Creative Media Industries employs around half a million[10] people, and contributes around 5.2% of UK economic output (or around £60billion), making it the largest in Europe.[11]

Creative Media are recognised as being an area of key strategic importance by the Government in their analyses of the growth potential of the digital industries.[12] However in the North of the country their presence is relatively weak. Most sectors represent only a small fraction of the UK total. The dominant sector online content has 15% of the UK total Creative Media employment population followed by broadcast radio and publishing with 12% of the UK total, terrestrial television with 11% down to outside broadcast and other facilities with less than 1% of the UK total.[13] In fact apart from online content and Public Sector Broadcasting which makes up the bulk of the television and radio sectors the Creative Media sector in the north of England is notable for its low employment densities.

London and the South East dominate the industry and have pulled talent away from other parts of the country including the North. In many senses we should not be surprised by this as Creative Media operates as part of a global market. Much content is for global marketplaces whether in content for computer games, television and film production or facilities. However MediaCityUK is releasing enormous growth potential for the North. Indeed there has already been a 44% growth across the television production sector.

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

[10] Skillset (2009) Employment Census (all creative sub-sectors excluding Film Production, Photo Imaging, Publishing and Advertising), 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 Labour Force Survey April - June 2009.

[11] Nesta Annual Review February-09, p22

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

[13] Skillset (2009) Employment Census (all creative sub-sectors excluding Film Production, Photo Imaging, Publishing and Advertising), 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 Labour Force Survey April - June 2009.

In the decade to 2006, Creative Media Industries across the UK enjoyed unprecedented growth. At a UK level however, the recent recession seems to have hit many sub-sectors within the Skillset footprint hard.[14] For example comparing the data from the 2006 and 2009 Skillset Censuses the North East has lost more than 50% of its freelancers (down from 800 to 350) and around 40% of its employees (down from 4,900 to 3,000). But in Yorkshire and Humberside and the North West total employment rose from 10,200 to 12,550 and 11,300 to 17,000 respectively. This is almost certainly due to the development of MediaCityUK which has attracted workers to the region, and to which many Creative Media workers commute from Yorkshire. Broadcast television and independent production, for example, has seen a growth of 44% over the last 3 years or so, mainly concentrated in the North West. While the computer games industry has flourished growing total employment over the three years between 2006 and 2009 by more than 20% across the North.[15]

Most fall into the small to medium size enterprise (SME) category since the Creative Media economy is characterised by many small firms.[16] Only 4% of companies in the Creative Media Industries have more than 50 employees.[17] The industry in the North is also heavily reliant upon freelance workers – which make up around 29% of the Creative Media workforce.**[18]**

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

[15] Skillset (2009) Employment Census; Skillset (2006) Employment Census

[16] Nesta Annual Review February-09

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

[18] Skillset (2009) Employment Census (all creative sub-sectors excluding Film Production, Photo Imaging, Publishing and Advertising)

Table 1: The North's Creative Media Workforce and % Freelance

	Total Employed	% freelance
Television	**5,750**	**35%**
Terrestrial TV	1,950	29%
Cable & Satellite Television	0	--
Independent Production (TV)	3,800	39%
Radio	**5,650**	**18%**
Broadcast Radio	5,650	18%
Facilities	**23,400**	**12%**
Post Production	11,400	15%
Studio & Equipment Hire	950	14%
Outside Broadcast	100	26%
Visual FX	3,850	--
Special Physical Effects	6,200	--
Manufacture of AV Equipment		--
Processing Laboratories		--
Other Services for Film and Television		--
Film	**500**	**93%**
Cinema Exhibition	--	--
Film Distribution	--	--
Film Production	500	93%
Animation	**650**	**28%**
Other content creation	**850**	**55%**
Commercials Production and Pop Promos	50	50%
Corporate Production	800	55%
Interactive content design	**8,250**	**14%**
Online Content (was web and internet)	7,250	14%
Mobile Content	-	--
Offline Multimedia	350	31%
Other Interactive Content Design	650	9%
Content for computer games	**2,550**	**2%**
Publishing	**22,600**	**--**
Photo Imaging	**8,000**	**--**
Archives & Libraries	**50**	**--**
TOTAL EXCLUDING FREELANCERS AVAILABLE	**78,200**	

Source: Skillset (2009) Employment Census (all creative sub-sectors excluding film production, photo imaging, publishing and advertising), secondary analysis of unit lists for feature film productions (80 minutes or longer and minimum budget of £500K) involving UK based crew that were shot during 2006 (film production)

- \- = numbers negligible and below 50
- \-- = regional breakdown not available

As can be seen from Table 1, the use of freelance labour across the different sectors of Creative Media in the North is considerable. Film production with 93% freelancers is primarily a freelance labour market, whereas at the other extreme content for computer games with 2%, is primarily made up of employees. For television as a whole (35%) the freelance population is above the UK average of 28%. Whereas for interactive content design the freelance population at 14% is below the UK average of 21%, the same applying to broadcast radio (18% in the North and 23% across the UK). The overall proportions of freelancers by occupation and region is summarised in Tables 2 and 3 below. Yorkshire and Humberside is notable for the slightly larger proportion of the workforce that is freelance compared with the UK average. It should be noted that the sector profile of each region will have an impact on the overall proportion of freelancers.

Table 2: The North's Freelancers: Percentage Freelance by Occupation

Occupational Groups	North %
Strategic Management	8
Creative Development	36
Production	25
Legal	-
Broadcast Management	63
Engineering and Transmission	28
Editorial, Journalism and Sport	17
Content Development	5
Art and Design	25
Animators	17
Costume/Wardrobe	48
Make-Up and Hair Dressing	43
Camera/Photography	53
Lighting	77
Audio/Sound/Music	28
Transport	26
Studio Operations	31
Technical Development	9
Editing	42
Laboratories/Processing	-
Manufacture	-
Servicing	21
Libraries and Archives	16
Distribution, Sales and Marketing	2
Business Management	7
Retail and Exhibition	-
Other	97

Source: Skillset (2009) Employment Census (all creative sub-sectors excluding film production, photo imaging, publishing and advertising)
- = numbers negligible

Table 3: Summary of Contract Type by Region

	Freelance	Permanent
North East	10%	90%
Yorkshire and Humberside	35%	65%
North West	27%	73%
North (Total)	29%	71%
Rest of UK – Creative Media	34%	66%

Source for Northern figures: Skillset 2009 Employment Census (all creative sub-sectors excluding film production, photo imaging, publishing and advertising)
Sources for UK: Skillset 2009 Employment Census (all creative sub-sectors excluding film production, photo imaging, publishing and advertising), secondary analysis of unit lists for feature film productions (80 minutes or longer and minimum budget of £500K) involving UK based crew that were shot during 2006 (film production), and Labour Force Survey April - June 2009.

Most companies in the north of England in Creative Media are SMEs, many micro businesses employing fewer than 5 people. In what is now a global economy it can be difficult for smaller or even medium sized companies to keep up to date with technology and market developments to capitalise on globally driven opportunities.[19] Indeed, perhaps partly in response to this, the global picture in recent years has been one of market concentration with the emergence of large media multi-nationals (such as Sky and Sony) with broad and ever expanding interests across a number of media sectors, genres and platforms.[20] It is known that both freelancers and small companies in relative terms find it more difficult to invest in skills development.[21] All this emphasises the important role played by the public sector – working with the industry – to facilitate access to high quality information, advice and education and training provision for the entire Creative Media workforce. Investment in such activities is critical especially at the moment with public sector spending cuts looming large.

Creative Media Industries in the north of England are reliant on a wide range of occupations. Table 4 provides a breakdown of employment by occupation in these regions. The heaviest industrial occupations are those employed in art & design, business management and production.

[19] Creative Industries Technology Strategy 2009-2012

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

[21] www.hm-treasury.gov.uk/leitch_review_index.htm[21] -- denotes a figure less than 0.5 but greater than 0. Occupation data for the publishing industry shows only data for the UK (official data sources and small sample sizes do not allow for reliable North only data to be published).

Table 4: Occupational Breakdown - Creative Media Industries in the North[22]

OCCUPATIONAL GROUP	
Creative Media (excl. Film Production, Photo Imaging, Publishing and Advertising)	**Total (%)**
Strategic Management	5%
Creative Development	3%
Production	11%
Legal	1%
Broadcast Management	3%
Engineering and Transmission	2%
Editorial, Journalism and Sport	5%
Content Development	1%
Art and Design	16%
Animators	3%
Costume/Wardrobe	--
Make-Up and Hair Dressing	--
Camera/Photography	2%
Lighting	6%
Audio/Sound/Music	2%
Transport	--
Studio Operations	--
Technical Development	7%
Editing	2%
Laboratories/Processing	--
Manufacture	--
Servicing	1%
Libraries and Archives	--
Distribution, Sales and Marketing	5%
Business Management	15%
Retail and Exhibition	--
Other	7%
Total Creative Media (excl. Film Production, Photo Imaging, Publishing and Advertising)	**100%**

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

Sources: Skillset (2009) Employment Census;
Note: Data for Publishing is UK only and has been taken from the Labour Force Survey July-September 2009.

Table 5 illustrates the age of the workforce across the different regions. As can be seen nearly 50% of the Northern workforce is under 35, around 6% above the UK average showing that the workforce in the North is younger and less experienced than the broader workforce in the UK. This points to a flow of experienced workers moving South in search of work. (Also see discussion of Table 6 below).

Table 5: Age by Region

			Northern Workforce				
			North East	**Yorkshire & the Humber**	**North West**	**Northern Workforce combined**	**Rest of the UK Workforce**
What was your age last birthday?	16 - 24	% within region	13.5%	4.7%	12.0%	9.2%	8.8%
	25 - 34	% within region	32.4%	47.1%	35.3%	39.8%	35.0%
	35 - 49	% within region	24.3%	33.2%	37.1%	33.8%	40.0%
	50+	% within region	29.9%	15.0%	15.6%	17.2%	16.2%

Source: Skillset (2008) Creative Media Workforce Survey (excludes film production, photo imaging, publishing and advertising)

2.2 Product Market Structure

2.2.1 Overview

The market is dominated by a few larger firms in publishing, film production, and television broadcast (including the BBC, a public sector broadcaster (PSB)). The BBC's new MediaCityUK in Salford is anticipated to have a strong and beneficial impact for the television and other sectors dependent on production such as facilities not just in the North West but across the region. Beneath these firms sits a long tail of small and medium size enterprises.

2.2.2 Innovation

One of the key elements asked of any market structure and associated support systems is the level of innovation that they can deliver. Creative Media is considered to be one of the UK's most dynamic sectors in terms of innovation and this has been reflected in recent years in impressive growth rates - outperforming UK industry rates as a whole.[23] Moreover, the Technology Strategy Board has asserted that the Creative Industry - at the heart of which are the Creative Media Industries - is an important stimulator of innovation in the wider economy, via firms they work with

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

as partners and/or suppliers.[24] Crucially too, the industry is seen as an essential driver of UK productivity in the recovery from recession. [25]

As David Cameron the Prime Minister said on Friday 28th May 2010,

> *"Today our economy is heavily reliant on just a few industries and a few regions – particularly London and the South East. This really matters. An economy with such a narrow foundation for growth is fundamentally unstable and wasteful – because we are not making use of the talent out there in all parts of our United Kingdom.*
>
> *We are determined that should change. That doesn't mean picking winners but it does mean supporting growing industries – aerospace, pharmaceuticals, high-value manufacturing, hi-tech engineering, low carbon technology. And all the knowledge-based businesses including the Creative Industries."*

Technological advancements lie at the heart of Creative Media Industries' dynamism in recent years. Indeed, it has been argued technological developments have blurred the boundaries between different creative industry sub-sectors. Businesses and markets, which traditionally had little in common, now find themselves facing common challenges.[26] Building new innovation eco systems in which Creative Media companies can grow and flourish is a critical part of the drive to rebalance the economy and offer some of the more 'state dependent' regions a chance to grow.

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

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

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

[26] Creative Industries Technology Strategy 2009-2012

2.2.3 Digital Britain

More than any other force, new digital technologies will shape innovation, products and business supply models across Creative Media over the next decade. Digitisation is a new general purpose technology that is transforming many global industries. Digital Britain set out the previous UK Government's strategic vision for the UK's digital economy. The aim is to ensure that the UK is at the leading edge of, and best utilises, global developments in digital technologically. The agenda is ambitious, spanning digital infrastructure, investment and participation.
At the skills level this means:

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

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

- Achieving improvements in the IT user skills of individuals across the public, private and voluntary sectors such that skills levels allow exploitation of the new digital technology.[27]

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

2.3 Employment Profile

Efforts to support skills developments in Creative Media Industries in the North will be shaped by the employment profile of the workforce. Table 6 presents data on the employment profile of Creative Media at the Northern, England and UK level and narrative analysis follows.

Table 6: Employment Profile for Creative Media Industries in the North

	All UK economy	**Creative Media Sector**		
Characteristic		**North**[28]	**England**	**UK**
16-34 years[29]	39%	49%	41%	42%
35 years and over[30]	61%	51%	59%	58%
Female[31]	49%	23%	38%	42%
BAME[32]	11%	5%	6%	6%
Disabled[33]	12%	4%	8%	8%
Graduates[34]	35%	70%	54%	57%
Freelance[35]	5%	29%	36%	36%

As illustrated in the table above, the data suggest that the Creative Media Industries in the North are characterised by:

- Compared with Creative Media in England and the United Kingdom, the sector in the North is comparatively youthful with nearly 1 in 2 of the workforce being under 35 years old.

- The North has a BAME representation which is rising. Skillset's Employment Census (2004, 2006, 2009) shows numbers of BAME employees have risen from 500 to 850 for the NW between 2004 and 2009 - an increase of 70%. In Yorkshire, for example, BAME representation has doubled from 2.5% to 5% during this time period.

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[28] All figures for the North come from either Skillset's (2009) Employment Census or Skillset's (2008) Creative Media Workforce Survey (see relevant footnote for each characteristic) and exclude Film Production. Photo Imaging, Publishing and Advertising.

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

[30] Ibid

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

[32] Ibid

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

[34] Ibid

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

- The North is one of the few areas in the country where employers have committed financially to new entrant diversity training schemes. It is the only region to have a “branch” of the Cultural Diversity Network (CDN) – CDNN (Cultural Diversity Network North) and on average over the 3 years it has been running The Media Foundation Placement scheme has managed to put 71% of its trainees into jobs in the sector.

- Female participation in the North (23%) is below average compared to the wider UK Audio Visual sector (27%)[36] and the wider Creative Media workforce (42%).[37] Again variations by sub-sector in the North are considerable: representation of women in the television sector (41%) and broadcast radio (47%) are above the average. Skillset has shown at the UK level a trend of falling female participation generally in the sector (which runs counter to trends in the wider UK economy). Further research suggests that the representation of older women may be lower still noting difficulties in balancing the long and unpredictable hours with raising a family as an explanation for this.[38]

- Table 6 shows that 4% of the Northern Creative Media workforce considers themselves to be disabled (as defined by the Disability Discrimination Act) below the UK Creative Media workforce as a whole (8%)[39]. The lowest representation in the North is in facilities with (2%). The highest is other content creation (19%).[40] The important point to note is that diversity matters for content. The people who use Creative Media output come from every sector of society. Reflecting that in terms of the make-up of the workforce will help ensure that content matches the expectations, background and experience of the broad user base.

- A very highly qualified workforce: 70% of the North’s Creative Media workforce[41] was found to have reached at least the graduate/level 4 qualification. This compares positively with the 35% of the population of working age that have attained that level across the UK economy as a whole.[42] It is critical that supply side measures continue to provide a stream of highly qualified (to level 4 and above) entrants to the Creative Media sector as this is the quality of

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[36] Audio Visual figures for North and UK from Skillset (2009) Employment Census (excludes Film Production. Photo Imaging, Publishing and Advertising).

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

[38] Skillset (2006) Balancing Children and Work in the Creative Media Industries; Skillset (2008) Creative Media Workforce Survey found round 47% of the Creative Media workforce work between 9 and 14 hours each day.

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

[40] Skillset (2008) Creative Media Workforce Survey

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

[42] LFS, average of four quarters, 2008.

workforce the Creative Media sector requires to be competitive – a particular driver for the broader sector in the North.

- A reliance on freelance and cross sector workers**:** [43] More than one in five (29%) workers in the North's Creative Media workforce is freelance[44]. Though below a third on average across the Creative Media sector in the UK this is still a high usage when compared with other sectors.[45] Film production shows 93% freelancing in the North and other content creation 55%. In total the level of freelancing may be a conservative estimate since the full implications of the recession on freelancing (e.g. via enforced freelancing) are not yet fully understood.

- Similarly, many in the workforce use their skills across a number of sub-sectors. This is particularly pronounced in outside broadcast, corporate production, post production and animation.[46]

- Like every other region the Northern regions report low densities of parents with dependent children (29%). This is partly due to the age profile of the Creative Media sector and partly due to the long hours worked. In the North East the ratio of respondents with dependent children was around half the sector average at 14%. Of the various occupational groups, producers in the North had the lowest levels of parenting (9%).[47]

2.4 Recruitment at Entry Level Onwards

The oversupply of potential new entrants – a characteristic of many sectors within the Creative Media Industries – is a central factor. Symptomatic of this oversupply is that a high percentage of new entrants are undertaking voluntary (unpaid) work as a means of gaining a foothold in the industry: 47% of the North Creative Media workforce surveyed had undertaken unpaid work at some time in their career rising to 58% in the North East.[48]

High levels of unpaid work may partly reflect the inherent culture of the industry. The Skillset (2008) Creative Media Workforce Survey found that only a third of new entrants entered the industry via formal recruitment processes such as job adverts or recruitment agencies. Ad hoc or

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

[44] Skillset (2009) Employment Census (excludes Film Production. Photo Imaging, Publishing and Advertising).

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

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

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

[48] Ibid

informal methods like ‘word of mouth’ and via ‘friends and family’ formed the majority of approaches.

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

However, it should be noted that not all Creative Media Industries are oversupplied. Notably, skills shortages exist in areas like production, engineering and the more craft orientated occupations such as scenic painting, electricians and make-up artists while oversupply is most pronounced in the most general Creative Media roles.[50] A lack of information on the range of occupational roles may be a contributing factor. Employers report that current new entrants have little knowledge about ‘working in the Media’ and even less about how to enter the sector. This despite a marginal increase in the proportion of the Creative Media workforce across the UK receiving structured careers advice - 28% in 2005 (9% receiving advice from Skillset) compared to 29% in 2008 (with 12% receiving advice from Skillset).[51] It is unclear whether the problem is a lack of good quality information or a lack of engagement and/or communicating this information to potential entrants. It is worth noting that in 2008 Skillset reaffirmed their commitment to improving industry information for new entrants and specifically, stressing the wide range of job roles on offer (and not just the obvious few roles), e.g. through the Skillset Careers online service www.skillset.org/careers.

Data from Skillset’s suite of workforce surveys shows that both women and BAMEs within the workforce across the UK are more likely than men and white people, respectively, to have undertaken unpaid work (47% compared with 44% and 50% compared with 44%). [52] This means that for these groups paid work is harder to get without putting in unpaid hours first.

2.5 Retention

A low participation rate for females aged 25-34 hints that losses from the industry are high for women either starting a family or with young children. More generally, with the industry

[49] Skillset (2009) From Recession to Recovery. Based on a sample of 262 employers. These are all UK figures.

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

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

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

characterised by an oversupply of labour in some sectors, informal and flexible working (informal entry routes and securing jobs[53], use of freelancers[54] and so on), and technological and consumer tastes driving cross sector and cross industry working - some losses are highly likely. However, in the time of recession – when speed of recovery might be linked closely to the talent available in the work pool – such a finding would be all the more acute. In the 2010 round of research Skillset is examining many of the drivers across the Creative Media sector that have been affected by the recession. Certainly in the north of England seasonal factors are playing a major part in accessibility to more senior staff in sectors such as television and film. In other sectors such as content for computer games of more pertinence is government policy towards tax credits for the games industry as a whole. Other countries such as Canada are luring top talent away through their ability to offer higher pay and other rewards.

Of course, employers may respond by choosing to attract skills from other sectors. In the case of generic skills like commercial and business administration this might be beneficial to the industry as a whole. However, for specific technical skills this is not an option. In these cases employers may choose to strengthen an employee's ties with the industry (building loyalty, increasing the opportunity costs of leaving *et cetera*) by presenting a strong career path built around developing skills. Many though remain sceptical. They rather erroneously still believe that training staff means lost productivity in the short term, it requires replacements to cover their duties, and runs the risk that the employee will leave the industry anyway (indeed armed with new skills and qualifications the employee may be more attractive to other sectors).[55] New technology, in particular the new digital environment, is also changing the roles of people within Creative Media Industries. Given this context, supporting staff to improve their skills and help them meet the new realities brought about by technology change will be crucial. One such priority will be improving access to high quality but affordable training, for example by continuing to accredit courses that meet Skillset's required standards. In the North many employers note that their problem is one of 'stock' rather than 'flow'. New entrants to the Creative Media sector often have high level 'digital' skills and understand the need for high levels of adaptability and cross-platform working. Existing workers prove, on the whole, to be less adaptable. This is a big need in the North (particularly around publishing and the ongoing move from linear to digital in other sub-sectors). UCLANs InFuze programme taking print journalists into multi-platform skills is an excellent example of university involvement in tackling this major issue.

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

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

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

Finally, it should be stressed that sole traders and freelancers are associated with lower levels of training (60% across the UK receiving none in the previous 12 months) compared to the permanent workforce (45%).[56] In addition to difficulties identifying the 'right kinds of courses', the opportunity costs (the lost income) of undertaking training are undoubtedly a factor.

2.6 The Economic Situation

Skillset research into the effects of the recession reports that more than 4 out of 5 UK Creative Media companies say their business had been affected by the recession in the year to September 2009.[57] Most reported fewer commissions and budget reductions.[58] Television companies have reputedly been affected in 2009 by a downturn in advertising revenues and shift to online advertising[59] while the Creative Media sector overall is struggling with reduced revenue and difficulties in accessing finance.

More will be known following publication of the Skillset 2010 Creative Media Employer Survey. However, it is noticeable that a quarter of companies reported issuing shorter contracts for freelancers and over one third of companies have not renewed some freelance contracts as a result of the recession. Though these results are indicative only due to some of the sample sizes.[60]

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

Since the recession companies in the North West and Yorkshire and Humberside in particular, report growing business confidence.

All indices point to growth in the medium term; the National Endowment for Science, Technology and the Arts (NESTA) analysis for 2009-2013 points to growth as businesses take advantage of digital technologies to develop new business models. Indeed, historically, recessions have played a role in triggering new business start-ups. The 1990s dot.com boom and crash resulted in the birth of the blogosphere and new technology-enabled services like eBay and Skype, largely

[56] Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging, Publishing and Advertising.
[57] Skillset (2009) From Recession to Recovery. Based on a sample of 262 employers
[58] Ibid
[59] Ibid
[60] Ibid
[61] Ibid

because many ‘technological IT wizards' were made redundant and had time to experiment and create. Technology is an important driver of innovation and innovation is a way of life for the Creative Media Industries, which show significantly higher values of innovation than other UK enterprises (70% against 55%)[62].

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

2.7 Opportunities and Challenges

The current global economic, technological and social context suggests a number of key opportunities and challenges for the Northern-based Creative Media Industries, including:

- Recovering from the Recession: though the recession is technically over, growth remains perilously weak, with the first quarter of 2010 recording a growth rate (subject to adjustment) of just 0.1% following a final quarter growth rate of 0.4% in 2009. From peak to trough the UK economy shrank by 6.2% overall. Despite this, longer term predictions for the industry are for strong growth based primarily upon opportunities for distributing content (multiplatforms), and the role Creative Media plays in supporting wider sectors of the Northern economy;

- Retaining talent within the industry: Creative Media Industries in the North need to retain highly skilled people. Losses from the industry reduce productivity and act as a disincentive to employers to support training. This is where MediaCityUK offers such an advantage to the North. It will help retain and attract talent, encourage higher levels of private inward investment and act as a global attractor of external investment, talent and production across the Creative Media sector;

- Meeting the demand for skills: technological convergence through growing digitisation is creating an array of approaches and channels for the commercialisation of content, products and services. Increasingly sophisticated knowledge and skills are required to best exploit these opportunities. In response, skills advisory and funding services need to be efficient

[62] Includes all Creative Industries including software and reproduction of computer media, DTI Occasional Paper No. 6. Innovation in the UK: Indicators and Insights, July 2006.
[63] Ibid p4

and avoid the sorts of complexity that hinders employer engagement.[64] Resources will need to be well targeted, emphasising the need for up-to-date and accurate labour market intelligence;

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

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

- Globalisation: while the EU and US will continue to be the industry's main export markets in the short term, new markets within the emerging economies of China, India and Brazil will increasingly be a focus in the longer term. Skills within the industry will need to be geared to meet increased demand for both products and expertise. Similarly, progressive economic integration of national economies will offer opportunities for generating international supply chains, alliances and partnerships. The price paid for this, of course, is the potential for increased domestic competition from foreign organisations across all media and in all formats.

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

3. Sector Skill Needs

Introduction

This section provides a sector based overview of the priority skills needs, shortages and gaps within the constituent sub-sectors of Creative Media Industries in the North. Creative Media employment in the North is concentrated in the North West which enjoys over two thirds of the total employment in the North. This is particularly concentrated in the publishing and facilities Sectors. The North East has 4% of the total Creative Media population across the North.[65]

Television

Overview

Television employs around 5,800 people in the North, mainly in the North West.[66] The BBC's move to Salford will increase the number of people employed in television and facilities across the three Northern regions by more than 100%. Overall, 35% of the TV sector in the North works freelance (though figures vary from 39% in independent production to 29% in terrestrial TV). The sector also draws on the facilities and animation sector for support.[67] Overall, 41% of the Northern TV workforce is female and 3% are from a BAME background, while 7% are disabled.[68]

Around 11% of the TV industry in the UK is based in the North of the country and the most significant cluster is in the North West[69].

Despite this, a number of factors suggest a growing importance for the TV sector. These include:

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

Skills Shortages

- A shortage of skills in special effects generation (which is also a problem in the context of the film sector);

[65] Ibid
[66] Skillset (2009) Employment Census
[67] Ibid
[68] Skillset (2009) Employment Census and Skillset (2008) Creative Media Workforce Survey
[69] Skillset (2009) Employment Census

- A shortage of leadership and management skills within independent production companies, cited as a training need by 13% of the workforce across the UK;[70]
- A shortage in higher level business skills, including management and leadership amongst senior executives (e.g. in securing multi strand funding packages and brand sponsorship for commercial TV projects);
- A shortage in entrepreneurial skills and confidence, both in terms of those employed at various levels within the industry and amongst freelancers, particularly those who may have been forced to take the freelance route as a result of redundancy.[71]

Current Skills Gaps

- Training had been received by 54% of the television workforce in the North with a peak of 67% in terrestrial television. Demand for training was high at 57% overall and 65% in the independent production sub-sector.[72] Specific software (8%), editing (6%) and production (6%) seemed to be the training most in demand from Northern respondents involved in television.[73]

- Individuals in the Northern TV workforce received less than 5 days training on average in the year to Summer 2008. Individuals working in independent production were more likely to attend longer courses with 30% receiving more than 5 days of training.[74]

- Employers noted a need for higher level technical skills for assistant producers, for example, and broader transferable skills ('T-skills'), particularly in relation to core business and entrepreneurial skills.[75]

Future skills

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

- Programme innovation
  - Multiplatform production;
  - Deal structuring;
  - Cross-media ownership;
  - Protecting and enhancing IP;
  - Extended scheduling skills.[76]

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[70] Skillset (2008) Creative Media Workforce Survey.
[71] Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTSR (May 2009)
[72] Skillset (2008) Creative Media Workforce Survey..
[73] Skillset (2008) Creative Media Workforce Survey.
[74] Ibid
[75] Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTSR (May 2009)
[76] Evidence for the UK confirmed through interviews with Northern based Television Companies such as Lime Pictures and True North

The skills will be most needed in commissioning, scheduling, transmission and distribution, followed by production and post production, and lastly concept development. All skills will need to be applied across a variety of output platforms.[77] Underpinning these skills areas, high quality management skills will increasingly be in demand, including:

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

Finally, technical expertise will continue to be highly important as digitisation continues to increase the technical content of the Creative Media Industry processes, products and services.[78]

Film

Overview

Film, along with television, is perceived as one of the most glamorous of the Creative Media Industries. But throughout the Northern region those working in Film Production are struggling to attract investment and productions. Seed funding to attract other investment money from the private sector is scarce. Television is a more dominant sector in the region but there are opportunities for film in the regions of the North.

The film sector in the North enjoys relatively strong levels of workforce diversity: 44% of the film production workforce is female.[79] This despite the reportedly long hours and intensive culture associated with film (43% of the sector's UK workforce reporting that they worked more than 11 hours a day[80]). There were no recorded instances of someone from a BAME group working in the Northern film sector.[81] Around 8% of the Northern film production sector is disabled and 56% of the workforce is under 35 years of age.[82] The film production sector in the North is made up of 93% freelancers.[83]

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

[78] Ibid

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

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

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

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

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

Skills gaps and shortages

Data from the Skillset/UK Film Council Feature Film Production Workforce Survey 2008 revealed that some 54% of respondents would be likely or very likely to attend training if a course was available during a production[84]. Though none of the respondents said they had been trained in the last 12 months some 41% said they had acquired relevant knowledge themselves, while 57% said they felt they needed training particularly in technical subjects such as software, editing and camera.[85]

Further research on skills gaps and shortages has revealed that current generic skill needs in the context of the film sector included:[86]

- Negotiation and diplomacy (with colleagues and customers);
- Management and leadership (for example, team motivation and conflict resolution);
- Commercial skills (commercial acumen, knowledge of the firm's value chain, finance for non-finance managers).

Respondents also anticipated future skills needs and issues in the following areas:[87]

- The size of the sector in London and the South East continuing to lure experienced staff away from the North;
- An expected shortage of production accountants due to low pay relative to other sectors;
- Development executives and producers with insight and commercial acumen;
- Location managers with up-to-date knowledge of legal developments;
- Information Management (including market analysis) using Information Communications Technologies (ICT);
- Business models for small businesses;
- Film buyers with commercial insight from a marketing or audience perspective;
- Fundraising for small businesses;
- Exploiting new business opportunities (corporate events and lets).

It is anticipated that future skill needs within film will centre on developments in new digital technology.[88] Specifically, this will require skills in change management and exploiting opportunities such as online and digital sales, as well as dealing with threats such as file sharing. Respondents also noted the following skills issues:

- A need to keep up to date in camera technology;

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

[85] Ibid

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

[87] ibid

[88] ibid

- Data management (particularly in relation to the logistics of tracking master materials in digital format);
- Health & safety (especially risk assessment by Heads of Department and Producers);
- Management level training around new business models.

Radio

Overview

The radio industry in the North employs 5,650 people (60% of which are based in the North West), a total of 27% of the total Radio workforce of the UK.[89]

The radio industry is characterised by a small number of large radio groups and a large number of smaller groups and independent stations. The BBC is the dominant player in the sector in the North and with its new complex, MediaCityUK, at Salford Quays will grow more so. The move to Salford was a conscious decision by the BBC to diversify the geography of its UK production and much of the Creative Media sector’s future depends on the externalities the BBC’s operation will provide for the whole Northern region. In particular the BBC is opening up more of its production to independent companies through its £40,000 development fund and direct commissioning which will prove an important driver for future growth and success of the sector overall.

In total there are 121 radio stations in the North made up of 72 commercial stations, 11 BBC stations serving communities across the North and 38 community stations. The larger commercial brand led stations are usually serving larger communities of interest and include Radio stations such as Galaxy, Smooth and Magic. Local Commercial stations which include Radio Aire in Leeds, KCFM in Hull, Sun FM in Sunderland and 2BR in Burnley are focused very much on local issues and local content.

Current trends point towards increasing listening through digital platforms, a shift from public service to commercial radio at national level, and growth of community radio. There is a particularly strong community radio sector in the North. The community sector contains a range of non-profit organisations offering radio services to specific communities on a local level. It includes student radio, and hospital radio.

The sector’s employment profile in the North shows a more diverse workforce than that found in other parts of the Creative Media sector, with the highest ratio of female workers (47%) of any sector. Just 3% of the radio workforce in the North are from a BAME background, well below the

[89] Skillset (2009) Employment Census

national average for the population as a whole and well below some other parts of the UK such as London. A fifth (18%) of the workforce is freelance.[90]

Key developments and trends in the UK radio market include:

- Falling demand and revenue: average weekly listening hours fell every year between 2003 and 2008, and in total by 9%.[91] Radio's share of advertising has fallen by more than one-fifth in this period but more recent trends show positive upward movement.[92]
- Increased competition: across the UK there were 9% more stations in the UK in 2008 than in 2003.[93]
- Increased use of digital technology: recommendations in the Digital Britain report are for an analogue to digital 'migration' of the majority of radio services in the UK by 2015.[94] 30% of UK households were thought to have DAB Digital Radio in 2008 compared to 2% in 2003.[95]
- Increased demand for multiplatform output and content: a third of adults had listened to radio online, according to the RAJAR internet and audio services survey carried out in May 2009. This was up from 29% a year earlier and 24% 18 months previous to then.

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

Skills Shortages

The key shortages in the North in the radio sector include the need for more senior business, finance, management and leadership skills. Greater cross-platform and/or convergent production skills including the ability to show innovation and creativity in cross-platform production and in the ability to generate a commercial return. In addition there is a real need to implement a range of initiatives to help industry identify, retain, manage and attract more of the best talent.

The evidence indicates that craft skills remain a high priority for the sector, especially in the field of digital content, but also in production, editing and broadcasting. There is a shortage of people who are technically expert but also in possession of strong creative skills and communication skills such as teamwork. Finally, sales and marketing skills are missing at a sufficiently high level across much of the sector.[96]

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[90] Ibid

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

[92] Ibid

[93] Ibid

[94] Ibid

[95] Ibid

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

Skills Gaps

Two thirds of the radio sector workforce had received training in the 12 months prior to the survey. Over 50% of the North's radio sector workforce had received less than 5 days training among those who said they had been trained.[97] Some 45% said they continue to have training needs and the same proportion have considered paying for careers advice or guidance. [98]

Some 56% of the radio workforce in the North have undertaken unpaid work in the Creative Media sector.[99]

Animation

Overview

The animation sector in the North is relatively small representing just 1.5% of the UK total. The animation sector in the North is made up of 28% freelancers. A quarter (25%) of the workforce is female, just 1% are from a BAME background[100] and none say that they are disabled.[101]

Animation underpins many other sectors of the Creative Media Industries, providing visual effects for post production, animated films and television. However, the sector's reliance on other Creative Media Industries, such as television, means that the developments at MediaCityUK spell relatively good news for animation in the North. Furthermore, the UK sector is seeing competition from low cost but increasingly high quality producing international competitors from countries such as Malaysia and from tax-friendly regimes in other countries. [102] The Government's decision in the Budget to reverse the previous administration's tax break for video games may have to be rethought in light of the global competition for animation.

Skills Needs

Growth in computer generated animation has opened up new markets but not adversely affected traditional techniques such as stop frame animation. However, falling advertising revenues for children's programmes – linked to new restrictions on advertising to children - have seen a reduced number of broadcasting commissions for animation.[103] Indeed, animation productions made in the UK have more than halved in the last five years.[104]

[97] Skillset (2008) Creative Media Workforce Survey
[98] Skillset (2008) Creative Media Workforce Survey
[99] Skillset (2008) Creative Media Workforce Survey
[100] Skillset (2009) Employment Census
[101] Skillset (2008) Creative Media Workforce Survey
[102] http://news.bbc.co.uk/1/hi/entertainment/8225954.stm
[103] Ofcom and PACT
[104] http://news.bbc.co.uk/1/hi/entertainment/8225954.stm

This is giving rise to demands for a highly skilled but flexible workforce able to adapt to the growing market for online content. Increased outsourcing is also likely to reduce the demand for animators and increase the demand for pre-production artists. The need for technical skills such as software development and core business skills such as client liaison (e.g. working with clients to develop briefs), financial management and marketing is also likely to continue to grow, especially as television commissions for higher cost productions are being constrained by ever tighter budgets. [105]

Skill Shortages

There is some indicative evidence of recruitment difficulties (though not necessarily skill shortages) in respect of producer roles, and at assistant producer level as with television and radio.[106]

Skills Gaps

According to the data from Skillset's Creative Media Workforce Survey (2008), 74% identified a training need.[107] Some 58% of the sector had received training in the last year, with 67% of those working in 2D/3D stop draw animation and computer animation receiving training. 72% of training undertaken was for less than 5 days. Notably 20% of those who received training received more than 20 days worth. Over 44% of the sector in the North had considered paying for careers advice or guidance. The animation sector in the North does seem to invest more in its workforce's continuous professional development than other Creative Media sectors reflecting the speed of technological change in the sector.

Content for Computer Games

Overview

The sector in the North employs around 37% of the UK total with a particularly strong cluster in the North West that represents 83% of the total Northern workforce. Just 2% are freelance, 6% female and 3% from a BAME background.[108] Historically, the workforce has also tended to be relatively young.[109]

The major issue facing the content for computer games sector in the North is the shortage of women who are hard to attract due to the stereotyping of both the games industry and the roles available within it.

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

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

[107] Skillset (2008) Creative Media Workforce Survey

[108] Skillset (2009) Employment Census

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

Increasing competition from (often subsidised) international competitors, together with the increasingly low cost of entry, places significant pressure on the sector. At the UK level a lack of global scale publishers, limited access to finance, and skill shortages have been identified as key barriers to sectoral growth.[110]

Skills Needs

Competitive companies in this sector will be seeking to recruit and/or develop a mix of very high level skills in programming and computer science with more creative skills in games art and animation. Commercial skills, particularly in relation to negotiation, intellectual property, and online distribution, are also in demand, together with more traditional business skills including management and leadership (such as those associated with managing technical teams). NESTA also notes that there are currently too few indigenous UK publishers of global scale and see this as an area for future focus.[111]

Sony report for example that they are seeking to create more gap year placements due to the current poor standard of students. Graduate skills are often poor but the Sector has also had a poor record in not communicating this to HE institutions in order for them to resolve the issue. A key area of need at the moment is finding new ideas and people with skills across maths, physics, music and cross-platform writing. Freelance numbers are not sufficient for demand especially in the special effects area so the same resources are being used again and again. Many of the freelance editors also do not have the multiplatform skills required by different software packages and a lack of behind the scenes knowledge of post production in games.

Skills Shortages

The proportion of UK developers who are graduates is slowly increasing. However, only 18% of games specific graduates in 2007 succeeded in gaining jobs in the industry. The quality of undergraduate programmes seems to be key: graduates from courses accredited by Skillset are nearly three times more likely to get a job in the content for computer games sector than those from a non-accredited course. [112] UK games companies also recruit graduates with generalist degrees, favouring computer science, maths, visual arts and general science courses. However, the predicted gradual decline in UK games development staff numbers over the next five years is expected to reduce the intensity of the skills shortage. Leadership and management and sales skills, as in other sub sectors of Creative Media, are in short supply.

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

[111] Ibid

[112] Nesta 2008 *Raise the Game: The competitiveness of the UK's games development sector and the impact of governmental support in other countries.*

Skills Gaps

51% of the content for computer games workforce in the North had received some training while 50% stated they wanted training. Of those in content for computer games who had received training 23% had received between 4 and 5 days, 32% had received between 5 and 10 days of training, 23% had received between 10 and 20 days training and 23% had received more than 20 days training.[113]

The attraction of high wages and more stable / better financed companies has led to some 'brain drain' to North America, particularly in relation to senior developers and managers.[114] Employers also report clear skills gaps in areas such as digital archiving, sales and marketing, IP understanding and optimisation.[115]

Facilities

Overview

The Facilities Sector in the North is very strong indeed. It provides specialised technical equipment and services to every other Audio Visual sector. Key roles include post production, studio and equipment hire, outside broadcast, visual effects, special physical effects, manufacture of equipment, processing laboratories and other services for film and television. Overall, the North provides 18% of the total UK facilities workforce. [116] 12% of these work as freelancers (rising to 26% in outside broadcast).

The facilities workforce in the North has 10% female representation. There is also 3% representation from BAME groups overall[117] and 2% are disabled.[118]

In practice, the sector is strongly centred on the North West which has around two thirds of the total facilities population. The growth has been driven by the presence of both the BBC and ITV. MediaCityUK is also located in the North West and this has the potential to deliver hundreds of new Facilities jobs.

Skills Shortages

Skillset has identified through its research the following skills shortages. [119]

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[113] Skillset (2008) Creative Media Workforce Survey

[114] Nesta 2008 *Raise the Game: The competitiveness of the UK's games development sector and the impact of governmental support in other countries*

[115] Evidence from Skillset focus group research conducted for this report.

[116] Skillset (2009) Employment Census

[117] Ibid

[118] Skillset (2008) Creative Media Workforce Survey

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

- Graduate new entrants in the visual effects sub-sector lacked basic computer, visual effects and specific software skills, people skills / team working skills and a lack of basic understanding of techniques, processes and the industry as a whole;
- Companies experienced severe difficulties in recruiting for engineering roles within post production ("*There are more lucrative areas than broadcasting for engineers to work in");* [120]
- Though many in the workforce have considerable technical skills the need is to complement these with broader skills. In house training is thus being developed in the larger facilities houses in particular.

Skills Gaps

In terms of training provision 44% of the facilities workforce had received some training while 62% believed they required training. Of the training undertaken 64% of the post production workforce who had received training received between 1 and 4 days of training, while the admittedly small samples of those working in transmission (100%) and studio and equipment hire (71%) received between 5 and 10 days of training.[121] Sumners the major post production facility report that half their staff are currently undergoing training just to keep up with the new developments in the sector.

In addition the UK wide review of the First Post[122] scheme revealed:

- Skills shortages in the visual effects sub-sector workforce in relation to project management, people management, and basic administration;
- A growing fear that the industry doesn't have a sufficient culture of skills development in the area of leadership and management: many managers start out as 'runners' and progress from there without having formal management training.

Interactive Content Design

Overview

Interactive content design covers a range of specialist companies and jobs including online (e.g. mobile internet, networking sites) and offline (e.g. mobile phone audio content and technology), interactive television and others. The sector fulfils a key support function in the wider Creative Media Industries as well as other industries. This role clouds measurement of the sector's output and importance - as Skillset notes: interactive content design is becoming more of a discipline than a sector.[123]

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[120] Skillset Review of First Post scheme

[121] Skillset (2008) Creative Media Workforce Survey

[122] A structured new entrant training scheme piloted first in London

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

About 8,250 people work in the interactive content design sector in the North, heavily clustered in Yorkshire and Humberside, which hosts 67% of the Northern workforce.[124] This represents 29% of the UK total, a significant share compared to other Creative Media Industries. The overwhelming number of jobs in the sector (75%) are in 'online content'. In terms of employment profile, the sector has 14% of the workforce working as freelancers (around half the average across the North), with only 2% of the total employed being women, 2% coming from a BAME background[125] and 2% being disabled.[126]

Like the content for computer games sector, the interactive content design sector's workforce is highly educated. Nearly everyone (84%) has an undergraduate or postgraduate degree or diploma (the highest amongst all Creative Media Industries).[127]

A number of digital agencies have closed recently across the North while agencies are seeking to recruit more freelance rather than permanent staff due to the current intermittent nature of work. Numiko for example is looking to employ junior new recruits and mentor / train them up internally, while there is a growing need for technical project managers and creative project managers within the Sector and both of these roles require project management skills with software knowledge. Numiko are currently working with Bradford University to work on developing digital CPD short courses and also are working closely with Skillset to try and develop the Virtual Commissioning Portal to support the Skillset Media Academies.

Skills Needs

Despite the recession, medium term forecasts are for an ever-increasing demand for online and offline output. This will be driven by, amongst other things, continuing falls in the real price of software, widening access to cheap broadband and 360 degree commissioning models – where content is commissioned for dissemination across more than one platform. In the future it is anticipated that technical software, website design, and project management skills will be most needed.[128]

Skills Shortages

Across the UK, employers report shortages in entrants with the appropriate combinations of 'hybrid' skills – a mix of specialist skills (e.g. graphic design), and core generic skills (e.g.

[124] Skillset (2009) Employment Census
[125] Ibid
[126] Skillset (2008) Creative Media Workforce Survey.
[127] Skillset (2008) Creative Media Workforce Survey.
[128] Ibid

business/commercial acumen) with cross-sector awareness (the ability to provide services to clients from other sectors of the wider economy).[129]

Skills Gaps

These findings seem to be mirrored within organisations. UK interactive content design employers state that the most common skills gaps appear to be either in industry-specific 'transient' areas (such as specific software skills that continually need to be updated to keep up with developments) or in higher-level business management and general understanding of the relevant sector.[130]

Over two thirds of the interactive content design workforce had received some training over a twelve month period between 2007 and 2008 (69%).[131] 46% identified training needs.[132]

Photo Imaging

Overview

The photo imaging sector encompasses four main sub-sectors: photographers; image producers and photo retailers; picture libraries and agencies, and manufacturing and support services. Currently 8,000 people are thought to work in the sector across the North with 6,000 concentrated in the North West, 17% of the UK total.[133] Across the UK as a whole 60% of the workforce are freelancers, 43% are female and 3% are from a BAME background.[134]

Skills Shortages

The small size of most photo imaging businesses means that recruitment to the sector is harder to gauge. One survey showed that only 5% of businesses interviewed stated that they had recruited over the previous 12 months. Moreover, few of these businesses anticipated a change in the number of staff their business employed in the following two years.[135] Against this background it is difficult to draw conclusions on the skills needed of new entrants.

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

[130] Skillset 2009 Interactive Content Design Sector Profile

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

[132] Ibid

[133] Labour Force Survey Apr-June 2009

[134] Ibid – a regional breakdown is not available.

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

Skills Gaps

Across the industry as a whole in the UK, the most significant specialist skills gaps continue to be around the use of digital technology, knowledge of digital workflow and management of digital assets.[136] In meeting these skills gaps the sector is likely to draw heavily upon informal approaches to training, including on-the-job mentoring and in-house training.[137]

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

The same survey also revealed that 57% of the workforce had identified a future training need. Some 25% cited as a reason for training that they wanted to keep up with the field and improve their effectiveness at work. Of those who identified a future training need, 47% stated a need for 'specialist software training'. The next most frequently identified were 'marketing skills' (17%) and 'business skills including management and leadership' (14%). [138]

Publishing[139]

Overview

The publishing sector includes book and newspaper publishing, journals and periodicals, news agencies, publishing of directories and mailing lists, and other services and activities. There are 22,600 people employed throughout publishing in the North (14% of the total UK workforce) of whom 14,000 work in newspaper publishing, 2,000 in book publishing and 4,000 in other publishing. Across the UK 7% are freelance, 49% female and 12% from a BAME background.[140] The Press Association at Howden is a major employer of journalistic talent in the North as well as the Guardian Media Group. They report an improvement among entrants to the Sector with broader based multi-platform skills. The loss of the Teletext contract, however, has led to recent redundancies. There have also been major redundancies at the Guardian Media Group over the last year.

The majority of establishments in the sector are small with 85% having 24 employees or fewer and 95% fewer than 100. Across the UK, the magazine and newspaper publishing sub-sectors have undergone major structural changes. This has been driven by both the recession and a longer term movement away from the traditional advertising revenue model to more online

[136] Ibid

[137] Ibid

[138] Skillset (2007) Photo Imaging Workforce Survey

[139] Data in this section is UK wide as it is drawn from the ONS which do not offer a regional breakdown to this level. However the 2010 Skillset research programme will be providing regionally cut data for publishing and will continue to do so.

[140] Labour Force Survey April - June 2009.

content.[141] This process is set to speed up over the next decade and will revolutionise the sub-sectors, making it harder to generate revenue from content alone and emphasising the need for a multiplatform and diverse approach to delivery, marketing and promotion.

The result has been fewer titles and jobs - particularly freelance - and the loss of some functions such as sub-editing.[142] The migration to online content is, however, being hindered by a number of commercial challenges, including how to monetise online content, ownership of content issues, and inertia amongst some socio-economic groups to access content online.[143] Elsewhere, while the volume of book sales have held firm the overall value of sales has fallen.[144]

Skills Shortages

In terms of new entrants, evidence points to skill shortages in relation to:[145]

- Technical skills – in particular the ability to meet industry standards requirements;
- Strategic skills linked to maximising opportunities from the e-Publishing business;
- Developing and implementing innovative, creative marketing using new technology;
- Multimedia journalism skills;
- Core business skills, including management and leadership (since Publishing sector companies tend to be editorially-driven);
- Understanding the impact of change on intellectual property rights.

Skill Gaps

Around 12% of establishments report skills gaps.[146] Similarly, for incumbent staff the available evidence points to skills gaps relating to:[147]

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

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

[142] Ibid

[143] Deloitte Media Predictions 2009

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

[145] ibid

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

[147] ibid

3.1 Skills Supply

A proper mapping of skills supply and the training and development infrastructure to meet needs is being undertaken by Skillset in 2010 and this work will enable a more rigorous analysis of the skills supply situation concerning Creative Media Industries in the North, each nation and throughout the UK. There are gaps in existing information sources including consistent information about specific courses – particularly for short courses; quality and sector relevance of courses available; skills developed and specific content of some courses; value to learners, and tracking outcomes and impacts

A majority of information sources lack clear information at very basic levels – for instance, a majority lack detailed information on attainment, completion, demography, student numbers and whole industry coverage. In some cases the information is not readily available to those needing it. As such there is a clear need for a consistent assessment and analysis of information sources firstly on education and training provision relevant to the Creative Media sector, and secondly on progression and student views. Skillset will report on information available at the end of the year.

3.1.1 Skills Supply: the Education System

The industry as a whole is characterised by high levels of level 4 and above qualifications. 70% of the North's Creative Media workforce have degrees.[148] This compares with just 27.3% of adults between 16 and 64 who held level 4 qualifications or above across the whole UK workforce in 2007.[149]

There are 13,000 media programmes at Further and Higher Education levels serving an estimated 50,000 students across the UK.[150] Although this provides valuable skills into the wider community, in terms of the Creative Media Industries, too many courses produce graduates with insufficient specialisms to meet employer needs. Quite why the design of these courses is so far removed from what the industry needs is a matter of some concern. Skillset's Media Academies certainly put an emphasis on industry-facing courses informed by Skillset's research programme.[151]

Employers are also clearly keen on Skillset backed courses that have succeeded a rigorous industry informed process to identify provision that best meet industry needs. This includes the Skillset Academies and the Skillset accreditation of degree programmes. Foundation degrees have also proved to be a success in enabling better access to careers due largely to the work placement element of the course. This helps foundation degree takers to gain a foothold in the industry and build up much-needed social capital at an early stage in their careers.

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

[149] Annual Population Survey, (2009) NOMIS. Residents aged 16-Retirement

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

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

In the school system there are significant issues with careers advice. Students generally are not receiving high quality advice to help them understand the opportunities across the digital sectors and make appropriate subject choices. Too many careers' advisors have only a limited knowledge of how to advise students interested in a career in the Creative Media Industries. The degree of network capital required to enter many of the professions is also a handicap. The online site Skillset Careers[152] has been established to help rectify the gap of relevant careers information, advice and guidance for the Creative Media Industries.

3.1.2 Skills Supply: Workforce Development

This report already highlights the fact that the Creative Media workforce in the North is very highly qualified. Data from Skillset's 2008 Creative Media Workforce Survey confirm that some 59% of those working in the North had received training in the past 12 months, 48% had ongoing training needs and 41% were prepared to pay for careers advice or guidance. Moreover as has been noted above, some 70% of the North's Creative Media workforce are graduates.

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

- Fees being too high (cited by 43%);
- Employers unwilling to pay (cited by 28%).
- Lack of available information on training (cited by 26%);
- Lack of available courses/training in their region (cited by 22%);
- Training held in inconvenient places (cited by 20%);[153]

The survey also suggested the types of future training required by the Creative Media workforce. Again, requirements were spread over a wide range of topics but the most popular courses cited were Specific Software Applications (14%), Editing (12%) and Production (11%).

3.1.3 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 BAME representation (see Table 7), which has fallen sharply in recent years in some sub-sectors, along with an increase in people leaving the industries in their thirties and forties.[154]

[152] www.skillset.org/careers

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

[154] 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.

There is considerable variation across the Northern Creative Media Industries. Some, such as radio, film and TV have female representation above 40%. However for the content for computer games sector and interactive content sectors the figures are low at 6% and 2% respectively. Moreover no Creative Media sector performs very creditably when it comes to representing people from BAME backgrounds. Within the key sectors of television (3%), broadcast radio (3%) and interactive content design (2%) the representation is small. Film has virtually no BAME individuals active in the workforce in the North. However employer-backed initiatives such as the Media Foundation Placement scheme (operating in Leeds, Manchester and Liverpool) are making some headway in this regard.

Table 7: Diversity in the North by Sector and by Sub-Sector

	Female	BAME	Disabled
Terrestrial Television	44%	4%	7%
Cable and Satellite Television	--	--	--
Independent Production (Television) / Community TV	39%	2%	3%
Television (Total)	41%	3%	7%
Post Production	13%	1%	5%
Studio or Technical Equipment Hire	16%	8%	--
Outside Broadcast	21%	-	--
Special Physical Effects	25%	--	--
VFX	--	--	--
Transmission	--	--	--
Manufacture of Audio Visual Equipment	--	--	--
Facilities (Total)	**10%**	**3%**	**2%**
Film	**44%**	**-**	**8%**
Broadcast Radio	**47%**	**3%**	**6%**
Animation	**25%**	**1%**	**-**
Content for Computer Games	**6%**	**3%**	**-**
Interactive Content Design	**2%**	**2%**	**2%**
Corporate Production	**4%**	**-**	**3%**
Commercials/Pop Promos	**2%**	**-**	**19%**
Archives and Libraries	**16%**	**-**	**-**
Total (All)	**23%**	**5%**	**4%**

Source: Skillset 2009 Employment Census (all creative sub-sectors excluding film production, photo imaging, publishing and advertising), secondary analysis of unit lists for feature film productions (80 minutes or longer and minimum budget of £500K) involving UK based crew that were shot during 2006 (film production). Cinema Exhibition, Photo Imaging and Publishing data are not available to a regional level.

The range of disabled people employed varies from sector to sector as well Overall 4% of the Northern workforce is disabled with a low of 2% in interactive content design and facilities, in addition to those sectors where no disabled workers have been identified in the North (- in Table 7).
There is no BAME representation recorded in film production and other sectors of Creative Media largely due to smaller sample sizes. But numbers climb for studio & equipment hire (8%) and terrestrial television (4%).

Women are well represented in television (41%), film (44%) and broadcast radio (47%).[155]

[155] Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2007) Feature Film Production Workforce Survey 2008

4. Anticipating What Lies Ahead

4.1 Growth continues as does freelance fragility

Pre-recession forecasts suggested that the UK entertainment and media market would grow by 5.8% compound annual growth rate for the five years to 2012, to reach $152 billion, some $50 billion of which will go to London.[156] Since then, the Creative Media Industries have been subject to significant challenges as set out earlier in this report. We cannot yet know how the Creative Media Industries are responding to the general very gentle economic recovery.

Given the recent turbulence, it is difficult to source reliable future estimates of industry spend and employment forecasts. In early 2009, NESTA released a forecast that, between 2009 and 2013, the UK Creative Industries, including Creative Media, would grow on average at 4%, more than double the rate of the rest of the economy, and, by 2013, would employ 1.3 million people. This is a similar trend rate of growth as for the period 1997 – 2006. In this forecast, the Creative Industries are expected to contribute £85 billion to UK GVA in 2013, up from £57 billion in 2006. Globally, the Creative Industries grew by 8.7% between 1998 and 2005 and that growth rate is expected to continue once the recovery kicks in.[157]

The North has a unique opportunity to grow through the development of MediaCityUK which is providing a major stimulus to many of the Creative Media sectors across the North.

With the number of people employed in the Creative Media Industries having recently declined[158], and the fact that people are likely to become freelance when faced with redundancy or the threat of redundancy[159], the highly skilled freelance labour pool is likely to increase, resulting in increasing pressure on already limited funds from both the state and employers for investing in freelancers' skills and development. The upside is that there is a considerable pool of available and skilled labour for employers to draw upon as new opportunities present themselves.

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.

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

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

[158] Skillset (2009) Employment Census. LFS April-June 2009

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

4.2 A necessary broadening and deepening of the skills base

Across all Creative Media Industries, there is recognition of the dramatic changes brought about by the digital environment and the need to upskill to make the most of it. The following are of particular importance[160]:

- **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.

- **Multiplatform skills:** the creative and technical skills to produce content for distribution across all potential platforms, and the ability to understand and exploit technological advances.

- **Management, leadership, business and entrepreneurial skills:** especially project management for 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 multiplatform content:** understanding of intellectual property legislation to protect from piracy, and exploiting intellectual property internationally to take full advantage of emerging markets - with particular focus on the ability to deal with the problem of illegal downloading and copyright infringement.

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

- **Archiving:** archiving of digital content being an area which is attracting increased attention as a challenging issue for the future.

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

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

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

5. Geographical Differences in Labour and Skill Needs

Sector Employment Across The North

Table 8: Work base of Creative Media Workforce in the North[161]

Region	% of UK total
The North	16%
	% of Northern total
North West	66%
North East	4%
Yorkshire and Humberside	30%

Source: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey, Labour Force Survey April-June 2009. Data are not available for cinema exhibition.

The three Northern regions include 16% of the total Creative Media workforce. Of this total the North West dominates the landscape having two thirds of the entire Creative Media workforce in the North located in and around Manchester, Liverpool and surrounding districts. Yorkshire and Humberside have another 30% leaving the North East with a total of 4% of the workforce. The only notable sector in the North East is facilities that makes up almost half the Creative Media workforce in the region and just under 10% of the sector total as can be seen from Table 9 below.

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

Table 9: Sector densities across the North

	UK Total Employed	North East	Yorkshire and Humber	North West
Television	50,150	350	1,150	4,250
Radio	20,900	450	1,200	3,950
Facilities	43,000	1,450	6,250	15,750
Film	30,200	50	150	300
Animation	4,300	*	50	600
Other content creation	8,050	300	300	250
Interactive content design	34,250	200	6,400	1,650
Content for computer games	7,050	200	200	2,150
Publishing	188,000	*	6,000	16,600
Photo Imaging	48,000	0	2,000	6,000
Archives & Libraries	350			
Total including freelancers available	**484,200**	**3,000**	**23,650**	**51,550**

Source: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey, Labour Force Survey April-June 2009. Regional data are not available for cinema exhibition.

For Yorkshire and Humber, interactive content design with three times the workforce of the North West is the dominant sector, while publishing also employs 6,000 people.

Table 10: The Northern Regions compared to the rest of England

	London	South East excl. London	South West	West Mids	East Mids	Yorks and Humber	The East	North West	North East
Television	31,200	1,200	1,750	1,000	1,400	1,150	700	4,250	350
Radio	6,650	1,050	350	750	450	1,200	1,550	3,950	450
Facilities	23,900	4,750	4,750	3,000	4,100	6,250	4,350	15,750	1450
Film	7,200	1,650	600	150	100	150	150	300	50
Animation	850	1,650	200	*	*	50	*	600	*
Other content creation	3,700	550	1,000	850	200	300	400	250	300
Interactive content design	6,800	5,000	4,250	1,000	900	6,400	500	1,650	200
Content for computer games	1,350	250	50	400	600	200	1,300	2,150	200
Publishing	52,000	25,000	19,000	6,000	9,000	6,000	25,000	16,600	*
Photo Imaging	8,000	9,000	2,000	1,000	2,000	2,000	6,000	6,000	0
Archives & Libraries	150	50	50	50	*	0	50	50	0

Source: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey, Labour Force Survey April-June 2009. Data are not available for cinema exhibition.

In recent years, there have been deliberate attempts to stimulate Creative Media activity outside of London. Ofcom's Public Service Broadcasting Review has provided a foundation from which geographic diversity can be speeded up. The North West has received a major fillip with the moving of so much of the BBC's production capacity to Salford Quays. The North West, with 51,550 workers, thus has the second highest density of Creative Media workers outside London, with strong positions in television, radio, publishing, photo imaging and facilities.

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

Whilst the Creative Media sector offers enormous economic and cultural potential to the North, it is also fragile, fragmented and poorly supported by the existing Vocational Education and Training (VET) framework. This includes dealing with the impact of digitisation and supporting the development of business skills, particularly in management and leadership. There are examples where progress has been made to address this such as the successful Digital Media Skills Programme in the North West but this needs to be reflected more sustainably across the whole North.

Compared to other sectors of a similar size and scale there are few larger firms (those that employ more than 250 people) and far more contractors and freelancers. As a consequence of these two factors training and development needs are acute but hard to deliver. Therefore, we urgently need to understand this growing and developing sector better, and tailor the supporting infrastructure to deliver to the sector more effectively and sensitively.

Key Challenges for the Sector

In terms of highly specific skills needs, digitisation is requiring creative content producers to have a wider brief of technical skills capable of translating content across many platforms. In terms of broader skills needs vital to the performance of the sector, general business skills including management and leadership are also urgently required and are particularly important for future business growth.

It is critical to the future of the Creative Media Industries in the North that the VET infrastructure has a better strategic fit with a predominantly external labour market (ELM) driven sector. There is also an urgent need to narrow the mismatch between graduate skill sets and employer expectations by creating a closer link between HE/FE and employers, actively facilitated by Skillset.

The recommendations that follow below have been framed to help deliver those necessary interventions, in particular the need for:

- More targeted and better government investment in supporting the growth of demand-led professional qualifications and systems of accreditation;
- A more diverse industry that genuinely celebrates all the talents of all the people of the North;
- More professional recruitment processes that are based on fairness and accessibility and not just the ability of the favoured few to survive periods of unpaid internship;
- A focus on continuous professional development;

- An education system that enables people to join the sector more job-ready and more attuned to the demands of employment;
- Continuing support for public sector trainers such as the BBC and a greater willingness to train from all levels of employer;
- New mechanisms that will enable more people to gain the network capital essential for success in the sector;
- Career information that is clear, accessible and available to all.

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

Recommendations

Entry Level Skills Development

- **Launch a Professional Apprenticeship and Internship Programme**

Aimed at the Creative Media Industries to incentivise employers to recruit and train new entrants and graduates and grow the North's pool of experienced Creative Media professionals. This programme should, for these strategically important sectors, enable new entrants to undertake employer-designed Apprenticeships and shorter-term Internships and also provide for flexible training content designed for professional level jobs. It would help remove barriers for SME participation and enable different employers through cross-industry collaboration to operate a pooled approach to internships. These apprenticeships should be developed in association with those FE and HE institutions with which the sector already has close links. This might include the 4 Northern Skillset Media Academies (Salford University, Teesside University, Liverpool John Moores, Yorkshire and Humber), Leeds Metropolitan University, Trinity College in Leeds, York St John College in York and Manchester College (which is already delivering Advanced Apprenticeships). There are very few Creative Media employers who have the ability to "employ" an apprentice for a 15/18/24 month period as is the current norm in government funded apprenticeships. Models for delivery of apprenticeship programmes therefore need to be looked at closely in partnership with employers. New models to explore for instance could be GTA or ATA models (Group Training Association/Apprenticeships Training Agency) whereby employers "pool" their needs and so apprentices are placed and rotated across a range of employers. For these models to work however it is vital that it is a managed and supported service. There is good evidence for the success of this approach from the current Advanced Creative and Digital Media apprenticeships managed by Vision+Media in the North West which shows that demand from employers is increasing year on year though not necessarily for full-time apprentices.

- **Promote the uptake of Apprenticeships and Internships**

Urge the film and television industries to provide more equal access to training and skills-based career development through greater use of apprenticeships at all levels and graduate internships. Skillset will continue its work on developing codes of conduct for internships and will seek to play a greater role in the coordination of apprenticeships and on-the-job training.[162] Skillset will also keep developing relevant new offerings, such as the recently launched Advanced Apprenticeship in Creative and Digital Media for those young people who choose not to take the traditional Higher Education route (which is being delivered in the North West as mentioned above).

- **Industry-recognised HE courses**

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

Skillset will also work with partners to ensure that they are recruiting new students as widely and imaginatively as possible to attract the brightest and the best and to encourage a truly diverse range of candidates to enter the Industry. As part of those efforts Skillset will help create strong feeder links through from the increasing variety of courses already available for 14 to 19 year olds, including for example the new Creative and Media Diploma. More efforts will be made, coordinated by Skillset, to engage a more diverse population at school level with the idea of making a career in Creative Media.

- **Relevant, up-to-date Careers Information**

The Creative Media Industries need a vibrant, well-skilled recruitment pool to underpin their growth and development. This means that young people must be equipped to leave the education system with the full complement of skills and knowledge that are required by industry and with a clear idea of the progression routes available to them. Skillset will therefore work to secure ongoing investment to a refreshed approach to an online careers and mentoring provision designed to help people get on and get into the Creative Media Industries. This is particularly an issue at HE and FE level where careers advice is generally felt to be weak.

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

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

There is an opportunity to develop and deliver both an online and face to face service across the North which Skillset could explore with key partners such as Vision+Media who already have a bank of 20 fully trained careers guidance advisors/mentors all with current industry experience. (The network was originated in partnership with Skillset in 2002.)

- **Guidance to promote Work Experience that's fair to all**

Publish new guidelines to help galvanise the Industry to do more to tackle the widespread use of unpaid work experience, which while developing skills, discriminates against those who cannot afford to work unpaid. Given the shape of the industry in the North and the importance employers place on gained workplace experience, course design needs to build in more workplace time.

- **CPD and Professional Development**

Ensure that the foundations for greater CPD across the sector provided by MediaCityUK are fully exploited and in particular consider doing the following:

- **Launch a 'Digital Professional' Skills Development Fund**

As part of a policy decision to accelerate the growth of the knowledge economy, this fund should leverage public funding to trigger increased investment in the development of content skills by employers, and should support high level skills development (graduate and post-graduate level). This would rapidly increase the scale and impact of the UK network of Skillset Screen and Media Academies, including those in the North, and enable greater participation of Higher Education and other supply side institutions in continuing professional development, while also supporting the development of new short courses and bite-sized online learning to up-skill the existing workforce and re-skill career changers moving from linear to digital careers.

It would enable pioneering programmes of creative and technical work-based study to address cross-platform content development and the underpinning emerging collaborative processes and models which can be used to inform the development of HE provision and the change in culture required for effective delivery.

Skillset should facilitate the pooling of training needs and budgets amongst companies in the North and develop a training brokerage service across the North where training budgets can be spent locally and individual employers can pool training needs with others to create economies of scale in certain areas such as specific craft skills.

- **Meet the high level skills needs of the Creative Media Industries**

  o Higher Education (HE)

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

  Working in partnership with industry, HE and FE to develop more courses based in the North of relevance to the wider sector. Courses in location management, scenic painting, electricians, production accountancy, management and leadership specific to the sector, computer games and cross-platform interactive digital content production are all required.

  o Beyond HE

  There is a need to stimulate further private and public provision across the North. Private providers, have until now, found it difficult to operate due to lack of capacity but as the market grows, due to the MediaCityUK development, this will change. There is a case for public support in the early stages to enable this private provision to be properly aligned to market needs.

Increase the Investment in Training

Encourage the BBC and other major Creative Media companies in the North to commit to investment in training for Creative Media professionals across the North. These efforts are a good use of public monies for a sector characterised by an unusually long tail of sole traders and SMEs without the profit margins to sustain large amounts of external training provision.

Fiscal and Business Support

Incentivise Employers to address Diversity

Investigate whether a new architecture of incentives can be created for the larger employers in the sector to employ people from more diverse backgrounds in larger numbers. Including looking at how to engage with schools. There is evidence that employers are willing to support initiatives that promote greater diversity in the North (i.e. Media Foundation Placement Scheme) but many are only able to support for short periods of time and so, like apprenticeships, support is needed to help them “pool” requirements. Employers have also expressed enthusiasm for initiatives within schools and in mentoring those already employed.

Better communicate the importance of the North as a destination for Creative Media professionals

Skillset to work in partnership with public agencies and employers to facilitate a new “Marketing the North” strategy to ensure more talent and experience comes to the North given the new opportunities opening up from MediaCityUK. Such an approach will require multi-stakeholder participation including local authorities, new Local Enterprise Partnerships (LEPs), Screen Agencies, Pact, and other bodies.

Invest in Research and LMI

Industry Intelligence that can identify skills and training issues

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

- the ongoing development and currency of all the other policy recommendations listed above
- the introduction of other essential interventions yet to be determined based on new evidence.

To this end Skillset has launched a new Creative Media Workforce survey that includes publishing and photo imaging and film production freelancers. Data previously collected separately. It will also collect information from Creative Media employers and from employers in the wider Creative Industries. Finally it will map and survey training and vocational provision across the footprint of Creative Industries, taking the lead in working with all the other key public and policy agencies in the North in co-ordinating annual intelligence gathering.

The Skillset Northern Strategic Skills Assessment was funded in partnership with the North West Development Agency and the Digital Media Skills Programme which is delivered by Vision+Media. *Vision+Media exist to help grow the digital and creative industry in England's North West. It does this by delivering projects and programmes that help creative companies and individuals (at all levels) in TV, Radio, Publishing, Music, Games, Film and Digital and Creative services. Vision+Media’s Skills department has a range of industry-led initiatives and funding streams to develop skills and talent, from entry-level placements and apprenticeships right through to CEO-level leadership training.*

Annex A

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.

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 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 (excluding post production), content for computer games and freelancers.

In some cases, the SIC and SOC systems simply do not provide the level of detail required, as noted above. In other cases within the SIC system, whilst the system itself provides the level of detail required, 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.

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

Annex B Data Sources

Skillset sources:

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Annex C: Northern Media Skills Panel members

Tom Gutteridge (Chair) - Managing Director, *Standing Stone*

Roger Cutsforth (Deputy Chair) - Managing Director, *Galaxy FM*

Andrew Sheldon - Creative Director, *True North*

Claire Poyser - Director of Production, *ITV Studios*

Danny Blackburn - Operations Manager, Digital Production, *Press Association*

David Eccles - Managing Director, *Numiko*

David Girdlestone - Managing Director, *F451*

Helen Thomas - Head of Regional & Local Programmes, *BBC Yorkshire*

Jo Taylor - 4Talent Manager, *Channel 4*

Liz Molyneux - Academy Partner: BBC North and Nations, *BBC*

Maria Stukoff - Academic Partnership Manager, *Sony Computer Entertainment Europe*

Neil Benson - Editorial Director, Regionals, *Trinity Mirror Plc*

Paul Peppiate - General Manager, *Sumners*

Ruth Pitt - Producer / Director

Sean Marley - Managing Director, *Lime Pictures*

John Brocklehurst - Managing Director, *The Mob Film Company*

Mark Scrimshaw - Chair BECTU BBC Division, *BBC*

John Crumpton - Learning Organiser, *BECTU*

Northern Media Skills Panel observers

Lynne McCadden, *Vision + Media*

Samantha Stamp, *Northern Film & Media*

Emma Cheshire, *Screen Yorkshire*

Stuart McFarlane, *Yorkshire Forward*

Iain Bennett, *Northwest Regional Development Agency*

Mark Adamson, *One North East*

Herb Kim, *Codeworks*

Skillset Media Academy Network in the North

Judith Jones, *Liverpool John Moores University*

Warren Harrison, *Teesside University*

Ali Rashid, *University of Bradford*

John Mundy, *University of Salford*

Skillset Staff

Dinah Caine, *Skillset*

Ruth Palmer, *Skillset*

Jessy Gill, *Skillset*