

Sector Skills Assessment Summary for the Creative Industries in Wales

February 2011

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Executive Summary

- **A sector of key economic importance in Wales as elsewhere in the UK** – the sector is a key ingredient of Wales’s Knowledge Economy and at the heart of both the Government’s and Welsh Assembly’s plans for economic growth;
- **A global sector** – the sector in Wales (as in the rest of the UK) is affected by a range of global drivers, including the fast moving pace of technology and the appetite for new platforms on which to consume media content. Other countries are using tax breaks and other incentives to attract talent and inward investment and so must Wales to keep up. This is a challenge at a time of public spending constraint;
- **Distinctive and localised challenges** – such as the increasing levels of TV drama production (including the new BBC Drama Village in Roath Basin) over recent years. Key to realising these opportunities will be the need to ensure that Wales has a Creative Media workforce fully equipped with the skills to take maximum advantage;
- **Workforce characteristics** – education, learning and development in Wales needs to take into consideration specific workforce characteristics. These include: a relatively young workforce; an under-representation of women and Black, Asian and Minority Ethnic members of the workforce (BAMEs); a highly qualified workforce and a strong reliance on freelance and cross sector workers;
- **Leadership and management skills** – are missing from large parts of the small independent sector;
- **Digital and ICT skills** – are in short supply across the Creative Industries
- **Financing and accounting skills** – are a key suite of business skills in short supply
- **Market research skills** – are again an area of perceived weakness
- **Production management** - as balanced sourcing has been embedded and production is spread across a number of countries, the production process needs closely managing both at home and internationally.

- **Supply chain management** - relating to the globalisation of production, the need to manage supply chains is a key skills need identified.
- **Business acumen alongside creative skills** – the need to be both creative as well as business-like around intellectual property rights (IPR), finance generation, co-production, sales, marketing, promotion and distribution is a growing demand;
- **Adopting transferable skills and multi-skilling within the workforce** – this is essential in the context of convergence and is resulting in the speeding up or blurring of conventional occupational roles across most of Skillset's footprint in Wales;
- **Flexible support for freelancers** – freelancers need improved access to continuous professional development and other learning and development opportunities. Currently provision is often patchy, expensive and hard to get to.
- **Diversifying the Industries** – the Creative Industries both serve and draw on the talents and skills of a diverse population. This diversity consists of visible and non-visible differences. It is the harnessing of these differences which results in a globally successful, creative and productive industry. We need to support and value equality and diversity within the skills agenda across the Industries in Wales;
- **Developing and exploiting multi-platform skills** – the onset of convergence between the Television, Digital and Interactive Media Industries is creating new challenges and demanding new skills from the Creative Media workforce. The sector needs to understand how to make money from digital platforms and how to exploit rights in different markets;
- **Education needs to keep pace with sector developments** – it is vital that the education system in Wales is sufficiently aligned with industry needs. Too many HE and FE courses lack sufficiently sharp industry content that is up-to-date and highly relevant.
- **Increased investment in Research and Labour Market Information** – before the skills needs of the Creative Industries can be addressed, they must first be identified. With increased resources and the continued support of industry and Government, Skillset's Research programme can grow

alongside the growth of the industry and do much more to understand the needs of employers and the workforce.

1. Introduction

This document sets out a summary SSA for the Creative Industries in Wales. SSAs are submitted to government to inform an annual National Strategic Skills Audit that covers the UK's entire economy.

The Creative Industries are defined by the DCMS as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of economic property”¹. They include:

1. Advertising
2. Architecture
3. Art and antiques
4. Crafts
5. Design
6. Designer fashion
7. Film and video
8. Digital and entertainment media
9. Music
10. The performing arts
11. Publishing
12. Software and electronic publishing
13. Television and radio

Box 1 below outlines the scope of the sectors covered by the Creative Industries as defined by the Sector Skills Councils and recognised by the sectors.

Box 1: The Scope of Creative Industries

Advertising, Fashion, Textiles, Film, Television, Radio, Photo Imaging, Interactive Media, Publishing, Animation, Interactive Media, Content for Computer Games, Software, Commercials and Promos, Corporate Production, Post Production and Visual Special Effects and Other Specialist Facilities, Craft, Cultural Heritage, Design, Literature, Music, Performing Arts and the Visual Arts, and Architecture.

Three Sector Skills Councils represent employers across the majority of the sectors within the Creative Industries; they are Skillset, Creative & Cultural Skills and e-Skills UK.

¹ 2001 Creative Industries Mapping Document, DCMS

Industry wide figures quoted in this summary, such as those reported by the DCMS and Nesta, include all sectors in the DCMS definition. However, where Creative Industries are referred to throughout the remainder of the report, Software and Electronic publishing², Computer Games³ and Architecture⁴ are excluded except when referring to the DCMS Creative Industries Economic Estimates.

For Fashion and Textiles specifically, industry-wide figures quoted for the Creative Industries such as those from DCMS and Nesta include the Designer Fashion sector only, whereas other research referenced in this report cover all Fashion and Textiles sectors (except for an analysis of data from the Labour Force Survey – see next paragraph).⁵

An analysis of data from the Labour Force Survey (LFS) was undertaken for this report using the combined contractual footprints of Skillset and Creative and Cultural Skills. The figures, which appear throughout the report, represent Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES but they do not represent the full extent of the creative sectors that these sector skills councils are licensed to support. See Annex A for further details on representation.

This summary SSA for the Creative Industries in Wales should be read in conjunction with the SSAs for Wales for Creative Media, Fashion and Textiles, Creative & Cultural Skills, and e-skills UK, Technology Insights 2011.

The routine availability of data from official sources with the precision needed by Skillset and CCSkills and the Creative Industries to respond to skills demand is limited. Indeed the unique character of the sector with its long tail of micro businesses and greater proportion of self-employed and contractors in comparison to the overall UK economy requires the Sector Skills Councils to deliver far more primary labour market research to fill gaps in knowledge than many, if not the

² For Software refer to research produced by e-skills UK.

³ Computer Games (and Visual Effects) are excluded from this SSA in view of the forthcoming Livingstone/Nesta review of skills in CG and VFX due for publication in January 2011 to which Skillset and e-skills UK have contributed. In the Facilities and Animation Sub-Sector sections of this report, VFX data are included as it is difficult to disaggregate this data for reporting purposes.

⁴ Architecture is not covered by any of the sector skills councils at present.

⁵ Fashion and Textiles sectors: Design, Apparel and Sewing Products, Textiles/ Technical textiles, Footwear, Leather and Leather Goods, Laundry and Dry Cleaning.

majority of, other Sector Skills Councils (SSCs).

1.2 The Creative Industries in Wales

The Creative Industries sector in Wales faces the same major challenges as the rest of the UK. Welsh companies cannot afford to be insular. The marketplace is becoming ever more global and Wales is an attractive place to invest in. Indeed many Welsh graduates stay in Wales to set up their own businesses. But too many independent companies are not embracing the future of a more digital environment and reduced public spending – in some cases dramatically reduced spending.

Public spending cuts mean that other sources of funding are required. Indeed for some sectors of Creative Industries such as Television, Radio and Film, Welsh language represents an opportunity to develop further an indigenous culturally specific body of outstanding work capable of playing to a worldwide audience just as good foreign language films do from all around the world.

The Welsh Creative Industries sector is a relatively small and distinct part of the wider UK Creative Industries. Estimates show that around 47,750 people work in the Creative Industries sector in Wales (not including Fashion and Textiles which add another 10,000 people to the total), approximately 3.7% of the UK total of 1.3 million directly employed in the Creative Industries.⁶ The largest sectors in Wales in terms of workforce are Design (7,830 people); Performing Arts (5,500); Music (4,320); Interactive Media (approximately 3,850 people), Television (3,500 people), Publishing (3,300 people) and Advertising (2,800 people).

There are an estimated 3,140 Creative Industry companies⁷ in Wales (including some sole-traders)⁸ and a breakdown by broad sector can be found in Table 1. In terms of company size companies based in Wales will follow the same trend as the wider UK, where SMEs dominate numbers. Fewer than 1 in 10 employ more than 10 people. The vast majority (84% - 83% for Fashion and Textiles) of companies across

⁶ DCMS and Skillset and CCSkills survey data.

⁷ Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives. NESTA (Content for Computer Games) and IDBR 2009 (Photo Imaging, Publishing and Advertising).; Creative & Cultural Skills (2011) Creative and Cultural Industries: Impact and Footprint 2010/11. In addition Fashion and Textiles sector includes 3,000 companies.

⁸ The IDBR covers businesses in all parts of the economy, missing some very small businesses operating without VAT or PAYE schemes (self employed and those with low turnover and without employees) and some non-profit organisations, representing nearly 99 per cent of UK economic activity.

the UK Creative Industries are small (fewer than 10 people) and just 2% of companies are large (100 people and more).⁹ Wales mirrors this pattern (see Table 1).

Table 1: Creative Industry Businesses in Wales

Sector	Number of Companies
Television	50
Radio	50
Film¹⁰	Less than 25
Animation	Less than 10
Interactive Media	300
Content for Computer Games¹¹	Less than 25
Other Content Creation (Corporate, Commercials and Pop Promos)	Less than 25
Facilities	100
Publishing	300
Photo Imaging	200
Advertising	250
Craft	600
Cultural heritage	Less than 100
Design	340
Literature	280
Music	240
Performing arts	270
Visual arts	Less than 100
Wales total	Approximately 3,000
Fashion and Textiles	3,000

⁹ Skillset (2009) Employment Census and IDBR 2009 (Photo Imaging, Publishing and Advertising). Creative & Cultural Skills (2011) Creative and Cultural Industries: Impact and Footprint 2010/11

¹⁰ Excludes Cinema Exhibition

¹¹ Based on Skillset 2010 Company Database which provides geographical information regarding 221 Content for Computer Games companies within the population as identified by NESTA (485).

2. What Drives Skills Demand?

2.1 Introduction

In this section of the SSA, we consider the range of factors which drive skills demand in the Welsh Creative Industries. It is structured under the following headings:

- Employment Profile;
- Economic Profile;
- Recruitment and Retention;
- Factors Driving Skills Demand in Wales.

2.2 Employment Profile

Occupational Breakdown

In order for the Creative Industries to continue to support economic growth in Wales, they rely on contributions from a wide range of occupations across the sector. These range from creative and technical occupations such as content design, visual effects and animators through to management and professional roles. Tables 2, 3, 4 and 5 provide a breakdown of employment by occupation in the Creative Industries in Wales by Creative Media workforce, Creative and Cultural Workforce, Fashion and Textiles Workforce, and by the combined contractual footprints of Skillset and CCSkills¹².

Table 2: Occupational Breakdown - Creative Media Industries in Wales¹³

Occupational Group – Creative Media and Advertising	Total – Creative Media (%)	Total – Advertising (All UK) ¹⁴ (%)	Occupational Group – Publishing (All UK)	Total (%)
Strategic Management	8%	6%	Managers and Senior Officials	28%
Creative Development	3%	11%	Professional Occupations	4%
Production	20%	6%	Associate Professional and Technical	40%

¹² See Annex A for methodology and exclusions.

¹³ Publishing and Advertising occupations show only UK data (no comparable data is available for Wales only) and in the case of Publishing cannot be disaggregated further.

¹⁴ Occupations mapped to Skillset's Occupational Functional Map.

Occupational Group – Creative Media and Advertising	Total – Creative Media (%)	Total – Advertising (All UK) ¹⁴ (%)
Legal	*	0%
Broadcast Management	2%	0%
Broadcast Engineering & Transmission	1%	0%
Editorial, Journalism and Sport	5%	0%
Content Development	1%	22%
Art and Design	13%	9%
Animators	3%	0%
Costume/Wardrobe	1%	0%
Make Up & Hairdressing	*	0%
Camera/Photography	7%	0%
Lighting	*	0%
Audio/Sound/Music	2%	0%
Transport	*	0%
Studio Operations	*	0%
Technical Development	3%	0%
Editing	3%	0%
Laboratories and Imaging Services	4%	0%
Manufacture	0%	0%
Servicing	*	3%
Retail and Exhibition	8%	0%
Libraries and Archives	1%	2%
Distribution, Sales and Marketing	1%	0%
Business Management	12%	41%
Other	*	0%
Total	100%	100%

Occupational Group – Publishing (All UK)	Total (%)
Administrative and Secretarial	11%
Skilled Trades Occupations	3%
Personal Service Occupations	0%
Sales and Customer Service Occupations	5%
Process Plant and Machine Operatives	2%
Elementary Occupations	6%
Total Publishing	100%

Sources: Creative Media - Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2008) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Advertising – IPA (2009) Census. Publishing - LFS, ONS July 2009 – June 2010. * denotes a figure less than 0.5 but greater than 0.

As can be seen from Table 3 Design and Performing Arts have the largest proportion of employees.

Table 3: Employment in Creative and Cultural Sectors

Creative industry sector	Total 10-11 Employment
Craft	2,710
Cultural Heritage	2,550
Design	7,830
Literature	2,550
Music	4,320
Performing Arts	5,500
Visual Arts	2,230
Creative and Cultural Industries Total	27,740~

Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11
 ~Column figures may not add up due to rounding; Figure to low to be included

Table 4: Occupational breakdown for the Fashion and Textiles Industry in Wales

UKSIC	Description	Firms	Employees
15113	Fellmongery	*	20
17	Textile manufacture	850	3,740
18	Clothes manufacture	510	1,710
19	Leather manufacture	30	200
2124	Wallpaper manufacture	*	210
24422	Non-medicaments manufacture	*	10
247	Manmade fibre manufacture	20	170
3310	Medical equipment manufacture	0	*
4543	Floor/wall covering	280	360
5111	Agents raw materials	10	20
5116	Agents textiles/clothing/leather	20	70
5124	Wholesale hides/leather	*	10
5141	Wholesale textiles	80	210
5142	Wholesale clothing/footwear	240	820
51479	Wholesale other household goods	30	200
5156	Wholesale intermediate products	0	*
5271	Repair shoes/leather	120	200
5274	Other repair	250	430
71409	Rent personal/household goods	20	80
74872	Speciality design	50	80
9301	Wash/dry clean	430	1,280
	Total	3,000	9,840
	Technical Textiles	10	170

tbr 2008 - * Suppressed due to sample size/confidentiality, i.e. less than 5 employees

Source: APS 2009 Based on SIC 2007: 13, 14, 15, 2060, 4616, 4624, 4641, 4642, 9523, 9601 (Professional and personal service occupations are undisclosable.)

Table 5: Occupational Breakdown in Wales – Combined creative footprint of Skillset and CCSkills of the Labour Force Survey¹⁵

Occupational Group - Combined footprint analysis for Skillset and CCSkills	Wales	UK
Managers and Senior Officials	8%	18%
Professional Occupations	5%	7%
Associate Professional and Technical	47%	46%
Administrative and Secretarial	10%	7%
Skilled Trades Occupations	6%	8%
Personal Service Occupations	0%	1%
Sales and Customer Service Occupations	6%	4%
Process Plant and Machine Operatives	7%	4%
Elementary Occupations	12%	6%
Total	100%	100%

Freelance Employment and Cross Sector Working

For the purpose of this document, a member of the Creative Industries workforce is considered to be ‘freelance’ when they have a contract of less than 365 days and an ‘employee’ when they have a contract of 365 days or more. Amongst employees in the UK’s Creative Media Industries, four fifths are employed on a full time basis and one fifth part time.¹⁶ For Creative and Cultural sectors the figure is higher at 44%, though the Welsh figure is lower than the UK average at 37%. (see Table 9 below).¹⁷ While the Creative Media sector is lower with three in ten (28%) of the workforce in Wales being freelance¹⁸, this is higher than the average of 25% for the UK as a

¹⁵ Source: LFS (Jul 2009 - Jun 2010). The figures represent Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES but do not represent the full extent of the creative sectors that these sector skills councils are licensed to support. See Annex A for methodology.

¹⁶ LFS 2009 as reported in the UK Employment and Skills Almanac 2010. As outlined in Annex B these figures exclude many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers.

¹⁷ Creative & Cultural Skills. (2011). Creative and Cultural Industry: Impact and Footprint 2010/11

¹⁸ Skillset (2009) Employment Census, secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and LFS, ONS July 2009 – June 2010. Wales average excludes Publishing and Advertising due to a low sample size in Labour Force Survey.

whole.¹⁹ However, the UK figure also includes Publishing and Advertising, which have comparatively low levels of freelancing (13% and 20% respectively). Many sectors of the Creative Industries are characterised by higher levels of freelancing, especially those areas most closely involved in the production process - for example, Film Production (93% in Wales, 89% in UK), Visual Arts (78% in Wales, 87% in UK), Literature (64% in Wales the same as the UK), Photo Imaging (54% in Wales, 67% in UK), Animation (53% in Wales, 46% in UK), Performing Arts (43% in Wales, 55% in the UK) and Independent Production for TV (38% in Wales, 44% in UK).²⁰ For Fashion and Textiles only 18% of the workforce are self employed.²¹

Tables 6 and 7 show the findings of an analysis of Labour Force Survey data using the combined creative footprints of Skillset and Creative and Cultural Skills. The findings indicate a higher proportion of self-employed workers within the industry in Wales, compared to the UK as a whole (42% compared to 34%). The proportion of part-time workers is also higher in Wales; with a third reporting that they work part-time compared to a quarter in the wider UK.

Table 6: Employment status in Wales – Combined creative footprint of Skillset and CCSkills of the Labour Force Survey²²

Employment status main job (reported) - Combined footprint analysis for Skillset and CCSkills	Wales	UK
Employee	58%	66%
Self-employed	42%	34%
Total	100%	100%

¹⁹ Skillset (2009) Employment Census, secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and LFS, ONS July 2009 – June 2010.

²⁰ Ibid

²¹ Annual Population Survey

²² Source: LFS (Jul 2009 - Jun 2010). The figures represent Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES but do not represent the full extent of the creative sectors that these sector skills councils are licensed to support. See Annex A for methodology.

Table 7: Full-time or part-time employed - Combined footprint analysis for Skillset and CCSkills

Full-time or part-time employed - Combined footprint analysis for Skillset and CCSkills	Wales	UK
Full-time	67%	75%
Part-time	33%	25%
Total	100%	100%

Gender, Ethnic Background, Disability & Age

Tables 8 and 9 below present data on the key characteristics of the Creative Media and Creative & Cultural workforces at a Wales and UK level, looking at gender, ethnic background, disability and age.²³ The table reveals that:

- Representation of women is lower in the Creative Media Industries in Wales than the UK as a whole (29%²⁴ compared to 38%²⁵) Though for Creative & Cultural industries the figures are 40% compared with 41%. All figures are lower than the figures for the Wales and UK economy as a whole (48% and 47% respectively) with the exception of Fashion and Textiles (55%) though this number is predicted to fall to a third of the workforce as more process jobs are lost;²⁶
- Black, Asian and Minority Ethnic (BAME) representation in the Welsh Creative Media sector is 2% and 1% for the CCSkills footprint and statistically negligible for Fashion and Textiles.²⁷ This compares to 7% across the wider UK Creative Industries workforce;²⁸

²³ As with the employment data the reliability of the Wales only data is limited by small sample sizes. UK-wide data is more reliable in this respect and has been included for this, as well as comparison purposes.

²⁴ Skillset (2009) Employment Census, Skillset/Film Council (2008) Feature Film Production Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Excludes Publishing and Advertising due to low sample sizes in Wales in Labour Force Survey.

²⁵ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, LFS July 2009 – June 2010. This figure comprises the whole of the Creative Industries and is preferred to using LFS data alone due to the exclusion of many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers (without these sectors women make up 42% of the workforce as reported in the UK Employment and Skills Almanac 2010).

²⁶ LFS July 2009 – June 2010

²⁷ Skillset (2009) Employment Census, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest (Creative Media excluding Publishing and Advertising), and

- 7% of the Welsh Creative Media workforce consider themselves to be disabled (as defined by the Disability Discrimination Act)²⁹, compared to 9% across the UK³⁰; while 12% of Creative & Cultural Welsh workers are disabled just below the whole UK average for the sector of 13%.³¹
- 48% of the Creative Media workforce in Wales is under 35 years³², suggesting a relatively young workforce (in comparison to the Creative Media Industries across the UK where 38% of the workforce are aged under 35);³³ for the Creative & Cultural Sector 50% are aged under 40 compared to a UK average of 49%.³⁴ Fashion and Textiles workforce is aging with 47% over 45 and only 7% under 24.

LFS July 2009 – June 2010 (wider Welsh economy); Creative & Cultural Skills. (2011). Creative and Cultural Industry: Impact and Footprint 2010/11

²⁸ Skillset (2009) Employment Census, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey and LFS July 2009 – June 2010. This figure comprises the whole of the Creative Industries and is preferred to using LFS data alone due to the exclusion of many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers (without these sectors BAMEs make up 8% of the workforce as reported in the UK Employment and Skills Almanac 2010).

²⁹ Skillset (2008) Creative Media Workforce Survey, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Excludes Publishing and Advertising due to low sample sizes in Wales in Labour Force Survey.

³⁰ Skillset (2008) Creative Media Workforce Survey, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey and LFS July 2009 – June 2010.

³¹ Creative & Cultural Skills. (2011). Creative and Cultural Industry: Impact and Footprint 2010/11

³² Skillset (2008) Creative Media Workforce Survey, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Excludes Publishing and Advertising due to low sample sizes in Wales in Labour Force Survey.

³³ Skillset (2008) Creative Media Workforce Survey, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey and LFS July 2009 – June 2010. This figure comprises the whole of the Creative Industries and is preferred to using LFS data alone due to the exclusion of many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers (without these sectors 38% of the workforce are aged under 35 years as reported in the UK Employment and Skills Almanac 2010, which is the same as the broader figure presented).

³⁴ Creative & Cultural Skills. (2011). Creative and Cultural Industry: Impact and Footprint 2010/11

Table 8: Employment Profile of Creative Industries in Wales

Characteristic	Wales ³⁵	UK ³⁶
16-34 years	48%	38%
35 years and over	52%	62%
Female	29%	38%
BAME	2%	7%
Disabled	7%	9%
Welsh Speakers	29%	-

Table 9: Profile of Creative & Cultural Skills footprint

Industry Subsector	Self Employment	Part-Time Work	% Women	% BAME	% Disabled	% Age Under 40
Craft	41%	19%	30%	2%	11%	42%
Cultural Heritage	2%	44%	71%	0%	18%	50%
Design	29%	11%	23%	2%	4%	65%
Literature	64%	31%	46%	0%	13%	30%
Music	26%	48%	39%	1%	19%	56%
Performing Arts	43%	36%	52%	1%	12%	45%
Visual Arts	78%	57%	42%	1%	17%	32%
Wales Creative and Cultural Total	37%	31%	40%	1%	12%	50%
UK Creative and Cultural Total	44%	26%	41%	7%	13%	49%
UK Economy Total	13%	26%	46%	9%	13%	47%

Creative & Cultural Skills. (2011). Creative and Cultural Industry: Impact and Footprint 2010/11

³⁵ Age and Disability from Skillset (2008) Creative Media Workforce Survey, Skillset/Film Council (2008) Feature Film Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. Gender, Ethnicity and Welsh speakers from Skillset (2009) Employment Census, Skillset/Film Council (2008) Feature Film Survey and Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest. All figures exclude Publishing and Advertising due to low sample sizes in Wales in Labour Force Survey.

³⁶ Age and Disability figures from Skillset (2008) Creative Media Workforce Survey, Skillset/Film Council (2008) Feature Film Survey and LFS July 2009 – June 2010. Gender and Ethnicity from Skillset (2009) Employment Census, Skillset/Film Council (2008) Feature Film Survey and LFS July 2009 – June 2010.

Table 10 shows data from the Labour Force Survey for the combined creative footprints of Skillset and Creative and Cultural Skills. According to this analysis, representation of women in the industry is slightly lower in Wales compared to the UK as a whole (40% compared to 44%). Black, Asian and Minority Ethnic (BAME) representation in the combined footprint is also lower in Wales compared to the wider UK (4% compared to 7%).

Sixty per cent of the workforce, as captured by this analysis, has Welsh National Identity suggesting that a large proportion (40%) of those working in the industry in Wales come from outside of Wales.

Table 10: Diversity Profile - Combined footprint analysis for Skillset and CCSkills of the Labour Force Survey³⁷

Characteristic	Wales	UK
16-34 years	35%	34%
35 years and over	65%	66%
Female	40%	41%
BAME	4%	7%
One or more children under 16	35%	33%
Welsh National Identity	60%	-
Understand spoken Welsh	29%	-
Speak Welsh	26%	-
Read Welsh	24%	-
Write Welsh	23%	-

Income

The average full-time income within the Creative Industries workforce in Wales is £22,000, (varying from over £37,000 in Terrestrial TV and Computer Games down to £13,340 in Visual Arts and £12,400 in Cinema Exhibition).³⁸ Within the Creative Media sector the average earned by employees is significantly higher than that

³⁷ Source: LFS (Jul 2009 - Jun 2010). The figures represent Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES but do not represent the full extent of the creative sectors that these sector skills councils are licensed to support. See Annex A for methodology.

³⁸ Skillset (2008) Creative Media Workforce Survey. Excludes Photo Imaging, Publishing, Film Production and Advertising; Creative & Cultural Skills (2011) Creative and Cultural Industries: Impact and Footprint 2010/11

earned by freelancers across the UK - £33,300 compared with £29,450.³⁹ For the tax year ending 5 April 2010 the median gross annual earnings for full-time employees across the UK economy were higher than the Welsh Creative Industries average at £25,900.⁴⁰ This is somewhat surprising given the high proportion of graduates in the Creative Industries. Across Wales in the creative and cultural industries, employees earn on average £7.84 per hour, compared to £8.60 across the industry in the UK.

2.3 Economic Profile

The Creative Industries are playing an incredibly important role in the economic, social and cultural life of Wales. The Welsh Assembly Government has identified the Creative Industries as a sector of strategic importance to the Welsh economy. The Assembly's Economic Renewal Programme seeks to make Wales one of the most attractive places for businesses to do business. It seeks to invest in better and more sustainable infrastructure, encourage innovation, build the overall Welsh skills base and target the business support where it can work best. It seeks to create the best environment for Wales-based businesses. As part of its skills and employment strategy, *Skills that Work for Wales*, the Welsh Assembly Government has placed the skills agenda at the heart of its programme for economic growth, and sees SSCs as being "*the strategic interface between employers and the Assembly Government*".

The Creative Media sector has survived the recession reasonably well and there is a general sense of optimism about the global opportunities available to Welsh Creative Media organisations. A fifth (21%) of Creative Media employers in Wales said that their requirement had *decreased*, compared to 19% across the UK. However, a similar proportion in Wales (19%) had actually experienced an *increase* but the majority (59%) had experienced no change.⁴¹ In contrast Creative & Cultural skills' employers showed a decrease in business turnover of 37% with 34% increasing turnover during 2007-2009 and 29% staying the same. This varied from 46% of Visual Arts businesses suffering a decrease to just 25% of cultural heritage.

In terms of effects on learning and development, just 18% of Creative Media employers in Wales reduced their budget for learning and development over the last year, which is slightly higher than Creative Media employers across the UK (12%).

³⁹ Ibid

⁴⁰ Annual Survey of Hours and Earnings, ONS (2010)

⁴¹ Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

For 60% of employers in Wales the budget remained unchanged, and 11% have actually seen an increase in it.⁴² For Creative & Cultural workers some 50% had no training in 2009.⁴³ Similar to the 49% of Creative Media employers in Wales who couldn't provide more learning or development for staff for a particular reason, usually on the basis of cost.⁴⁴ For Fashion and Textiles 17% of employees had received training in the quarter before the survey was completed.⁴⁵

2.4 Recruitment and Retention

Recruitment

Few Creative Industries employers have reported difficulties recruiting staff (c5% and 4% for Fashion and Textiles). However Wales based employers reported that skills shortages exist in occupations like Technical Development, ICT skills, Business Management, Strategic Management and Distribution, Sales & Marketing.⁴⁶ The key issue is that the future workforce of the Creative Industries are composed of a large pool of 'qualified' potential recruits who do not have the specific 'associate professional and technical' skills that the majority of jobs require, and that the sector is not particularly engaged with these areas when it comes to planning training. As such, the acquisition and retention of hands-on skills and the existence of specialist training centres is absolutely crucial. A lack of information on the range of occupational roles may be a contributing factor.

Fashion and textiles had 15% of employers reporting vacancies with 57% of those vacancies being hard-to-fill.⁴⁷

⁴² Ibid

⁴³ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

⁴⁴ Ibid

⁴⁵ ABI

⁴⁶ Skillset (2010) Creative Media Employer Survey. Excludes Advertising; Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

⁴⁷ Future Skills Wales

Retention

A low participation rate for females aged 25-34 hints that losses from the Creative Media industry are high for women either starting a family or with young children, or those caring for others or older dependents.⁴⁸ More generally, with the industry characterised by an oversupply of labour in some sectors, informal and flexible working (informal entry routes, use of freelancers and so on), and technological and consumer tastes driving cross sector and cross industry working, then some losses might be deemed inevitable. However, in the time of recession – when speed of recovery might be linked closely to the talent available in the work pool – such a finding would be all the more acute.

Of course, employers may respond by choosing to attract skills from other sectors – indeed Skillset's (2010) Creative Media Employer Survey found that of the Wales based employers who have recruited in the last 12 months, 35% recruited from other Creative Industries and slightly more (38%) recruited from outside of the Industries (across the UK just 28% recruited from other Creative Industries compared to 41% who recruited from outside of the Industries). 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 etc.) by presenting a strong career path built around continuing professional/skills development. Many though remain sceptical. Developing 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).⁴⁹

Finally, it should be stressed that sole traders and freelancers are associated with lower levels of learning and development compared to the permanent workforce (in Wales 46% and 61% of Creative Media workers respectively had received learning or development in the past 12 months⁵⁰, whilst 51% of Creative Media employers

⁴⁸ Dedicated research was conducted in this area in the Skillset (2006) Balancing Children and Work in the Creative Industries.

⁴⁹ Skillset (2009) Film Sector Employers: Skills and Training Needs in Production, Distribution and Exhibition.

⁵⁰ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest.

provide learning and development for employees but 45% of these employers do not make the learning and development they provide available to freelancers⁵¹).

In contrast among Creative and Cultural sector employers only 44% provided some training and cited various barriers as reasons for not training more staff (see Table 6). While for Fashion and Textiles 94% cited the fact that staff were competent enough.⁵²

Table 11: Reasons for not training

	Wales creative and cultural industries	UK creative and cultural industries
Your staff are already fully proficient	52%	50%
Other	46%	24%
There is not enough time for training	19%	27%
No appropriate training is available in terms of subject area	17%	7%
Your establishment lacks the funds for training	7%	14%
No suitable training is available in terms of mode of delivery	6%	1%
Training is not considered to be a business priority	4%	4%
There is a lack of cover for training	3%	5%
Training is available but not at the right level	0%	1%
Your staff are not keen to participate in training	0%	1%

Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

⁵¹ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

⁵² Future Skills Wales

3. Current Skills Needs

3.1 Introduction

In this section of the report, the current level of skills of Creative Industries in Wales are profiled before going on to consider evidence on the current skills needs of Welsh employers.

3.2 Learning and Development

The Creative Industries in Wales are characterised by a highly qualified workforce, with 66% of the workforce in possession of a degree level qualification⁵³ (increasing to 87% in Literature, 74% across the Audio Visual Industries as included in Skillset's 2008 Creative Media Workforce Survey and 72% in Design).⁵⁴ For Fashion and Textiles the qualification distribution is markedly different with fewer degree level workers. In the wider Welsh economy just 37% of adults hold level 4 qualifications or above.⁵⁵

An analysis of data from the Labour Force Survey using the combined creative footprints of Skillset and CCSkills (including some Fashion and Textiles sectors), reveals that 45% of the creative workforce in Wales hold a level 4 qualification or above (compared to 54% across the UK).

⁵³ Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11; Skillset (2008) Creative Media Workforce Survey and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. Excludes Photo Imaging, Publishing and Advertising.

⁵⁴ Ibid

⁵⁵ LFS Jul 2009 - Jun 2010.

Table 12: Highest qualification held - Combined footprint analysis for Skillset and CCSkills⁵⁶

Highest qualification held - Combined footprint analysis for Skillset and CCSkills	Wales	UK
NQF Level 4 and above	45%	54%
NQF Level 3	20%	12%
Trade Apprenticeships	4%	3%
NQF Level 2	17%	12%
Below NQF Level 2	4%	8%
Other qualifications	3%	6%
No qualifications	7%	5%
Total	100%	100%

The same analysis found that 17% of the workforce in Wales (using the combined creative footprint) are currently studying for a qualification. This is higher than the percentage for the UK as a whole (7%). Of those currently studying, the majority are studying for a degree level qualification including foundation degrees, PGCE and professional membership (78%).

25% of the workforce in Wales within the combined footprint had undertaken job related training or education in the last 3 months; higher than the UK figure of 15%.

Over the last 12 months half (50%) of employers have funded or arranged learning or development for their workforce (compared to 47% across the UK). Unfortunately, of those employers who do provide learning or development, 45% do not extend provision to freelancers.⁵⁷ For Fashion and Textiles the 26% of employers had organised off-the-job training for their staff.⁵⁸

Within those companies in Wales that had funded or arranged learning and development for staff in the past 12 months the most common method of delivery was through an external course or seminar (76% for Creative Media Employers and 40% of Creative and Cultural employers). Half of Creative Media employers and a third of Creative and Cultural sector employers funded or arranged learning and

⁵⁶ Source: LFS (Jul 2009 - Jun 2010). The figures represent Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES but do not represent the full extent of the creative sectors that these sector skills councils are licensed to support. See Annex A for methodology.

⁵⁷ Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11; Skillset (2008) Creative Media Workforce Survey and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. Excludes Photo Imaging, Publishing and Advertising.

⁵⁸ Future Skills Wales 2005

development delivered through both structured in house and non-structured support on the job by another member of their workforce. Just 32% of Creative Media employers had funded or arranged learning and development delivered through internet based/online resources. While for Creative and Cultural employees 48% of training was through attending conferences and networking.⁵⁹

3.3 Skills Shortages

Despite the potential oversupply of new entrants to the sector, skills gaps and shortages in the Creative Industries arise for a number of reasons and can vary significantly across the constituent sub-sectors. A skills gap occurs when the existing workforce have lower skill levels than are necessary to meet business or industry objectives whereas a skills shortage exists when there is a lack of adequately skilled individuals in the labour market.

Across the Creative Industries in Wales, employers report that skills in short supply from new entrants include ICT skills, sales and marketing skills, leadership and management, and using sector specific software packages.⁶⁰

Among the Creative Industries 5% of employers reported vacancies. Of these employers, 43% reported vacancies that are hard to fill (46% across the UK) mainly in Associate Professional and Technical occupations (43%).⁶¹ The majority of employers in Wales experiencing hard to fill vacancies went on to report that this was due to applicants lacking the relevant work experience or lacking the skills or talent the company demands. Few identified an applicant's lack of relevant qualifications as a reason.⁶²

⁵⁹ Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11; Skillset (2008) Creative Media Workforce Survey and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. Excludes Photo Imaging, Publishing and Advertising.

⁶⁰ Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11; Skillset (2008) Creative Media Workforce Survey and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. Excludes Photo Imaging, Publishing and Advertising.

⁶¹ Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11; Skillset (2008) Creative Media Workforce Survey and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. Excludes Photo Imaging, Publishing and Advertising.

⁶² Ibid.

3.4 Skills Gaps

Over half (58%) of employers in the Creative Media Industries in Wales and 42% of the Creative and Cultural employers in Wales report a skills gap (significantly higher than the 28% of employers across the UK⁶³). For three quarters of Creative Media employers in Wales, sales and marketing was the most common skills gap area amongst their employees (74%). This was followed by multi-skilling (50%), leadership and management (49%), technical skills (47%) including a common specific mention of 'CGI: 3D/Animation/VFX/Graphic design', and using sector specific software packages (41%). Three in ten (31%) identify a gap in Welsh language skills. A quarter (24%) of employers specified a skills gap specific to developing content for multiple platforms which included 18% specifically mentioning the 'design and development of web sites or web applications'.

For Creative and Cultural employers the most common skills gaps were in ICT (28%), Administration (18%) and Marketing/Advertising/PR (14%).⁶⁴

Three in ten (29%) Creative Media employers in Wales attributed the skills gaps they currently had to an inability of the workforce to keep up with change. A further 20% cited the lack of experience of recently recruited staff.⁶⁵ For Creative and Cultural employers the overwhelming reason for skills gaps was due to limited time to train (65%) and limited budgets for training (35%).⁶⁶

For Fashion and Textiles skills gaps presented themselves as described in Figure 1:

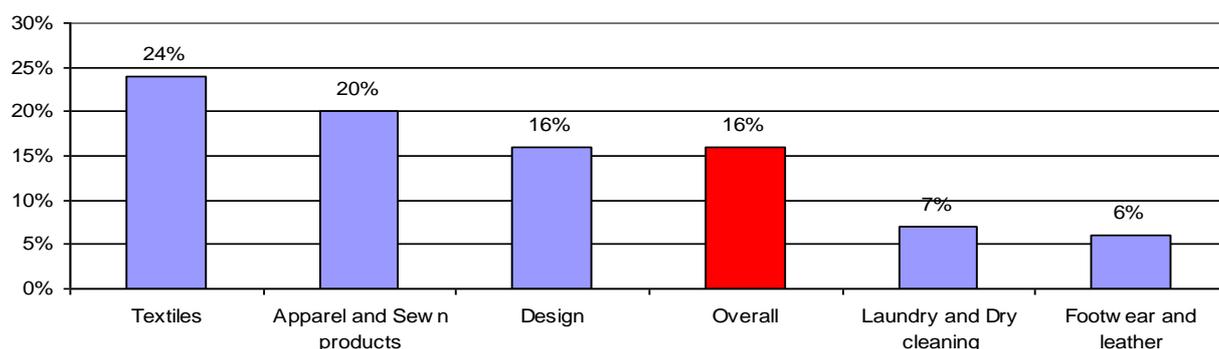
⁶³ This figure comprises the whole of the Creative Industries and is preferred to using National Employer Skills Survey 2009 data due to the exclusion of many of those working in Interactive Media, Content for Computer Games and Facilities (without these sectors 15% of establishments report a skills gap as reported in the UK Employment and Skills Almanac 2010). A total of 35,500 skills gaps were identified most commonly in Administrative and Secretarial and Sales and Customer Service occupations which represents 7% of the workforce (also includes Fashion and Textiles which can not be disaggregated from Creative Media data). Comparable data is not available from official data sources for Creative Media within Wales.

⁶⁴ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

⁶⁵ Ibid

⁶⁶ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

Figure 1; Skills gaps by sub-sector in Wales



Source: Fashion and Textiles survey of employers 2008

3.5 Skills Supply: The Education System and New Entrants

In total, over 23,000 Skillset relevant courses were available through FE, HE and the private sector in 2008/09. HE is the main source of Skillset relevant courses with analysis identifying 18,250 Skillset relevant courses with students in UK HE institutions in 2008/09 (course provision was most common in the key sector areas of VFX, Film, and TV). This includes 1,100 in Wales (6% of all courses in the UK). Just over 2,500 courses are available in FE across the UK (no data is available for Wales) and the leading private sector providers identify a further 2,400 courses (again no data is available for Wales).⁶⁷

Across HE, FE and the private sector, in total there are over 1.4 million learners undertaking Skillset relevant courses in the UK. It is estimated that in 2008-09 around 720,000 learners in FE were studying Skillset relevant courses, including 10,100 in Wales⁶⁸, whilst over 757,000 were studying Skillset relevant courses at UK HE institutions, including 36,700 in Wales.⁶⁹ In terms of outcomes, 10% of all Skillset

⁶⁷ Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK. NB These figures include Fashion & Textiles which is not in the scope of this SSA. Further information regarding this study can be found in the methodology section.

⁶⁸ Wales Education and Lifelong Learning Statistics Unit, Welsh Assembly as reported in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK. NB These figures include Fashion & Textiles. Further information regarding this study can be found in Skillset's Creative Media and Fashion and Textiles SSAs for the UK and Wales.

⁶⁹ HESA 2008/09 as reported in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE,

relevant students who have gained employment 6 months after graduating have done so within Skillset industries.⁷⁰

3.6 Schools and Further Education

- Principal Learning in Creative Media within the Welsh Baccalaureate Qualification

Welsh education policy recognises the value of industry-led qualifications and the contribution employer engagement can make to a more demand-led offer. This includes the introduction of the 14-19 Learning Pathways and the Welsh Baccalaureate.⁷¹ The Welsh Assembly Government through the Department for Children, Education, Lifelong Learning and Skills (DCELLS) has worked with Skillset Cymru to incorporate the Principal Learning⁷² in Creative Media component as an option within the Welsh Baccalaureate. This line of learning is currently being offered by two FE colleges in Wales – Coleg Glan Hafren and Barry College. This has been a critical contribution to addressing the priorities for 14-19 education and the wider skills agenda in Wales.

- Skillset Cymru Apprenticeship in Creative and Digital Media

Skillset Cymru is committed to developing capacity within the Further Education sector to respond to the current and future skills requirements associated with the Creative Industries in Wales. It is currently piloting the Apprenticeship in Creative and Digital Media with support from the Welsh Assembly Government's Sector Priorities Fund. Apprentices will be employed within production companies and will be trained by Coleg Glanhafren. The hope is that this will support the development of a seamless progression route for learners from school level to FE and HE. It will also

and the Private Sector in the UK. NB These figures include Fashion & Textiles which is not in the scope of this SSA. Further information regarding this study can be found in the methodology section.

⁷⁰ Since 2002/03 HESA have administered a survey of HE leavers called the Destinations of Leavers from Higher Education (DLHE). This replaced the previous First Destinations Supplement (FDS) and seeks to collect a richer set of data than held previously particularly focused upon on the employment and further study graduates move in to after their studies.

⁷¹ Welsh Baccalaureate combines personal development skills with existing qualifications like A levels, NVQs and GCSEs to make one wider award that is valued by employers and universities.

⁷² The aim of Principal Learning is to develop creative thinkers, not specialists in a certain area. It is a new way of learning in the context of the Creative Industries and brings learners closer to the reality of the workplace. It will enable learners to apply their knowledge and skills effectively as they progress into further and higher education and future employment.

widen access for new entrants into the sector, uncover new pathways and increase diversity of opportunity across the Creative Industries.

- Creative & Cultural Skills Apprenticeships

Launched in July 2010 and funded by the Sector Priorities Fund Pilot, apprenticeship have been offered across a number of areas:

- Technical Theatre - Sounds & Lighting
- Technical Theatre - Costume & Wardrobe
- Community Arts Management
- Live Events & Promotion
- Cultural Venue Management

The apprenticeships are delivered in partnership with employers and FE and private training providers. These are: Bridgend, Coleg Menai, Coleg Morgannwg, Gower College, and Triangle Fusion.

Provision is available bi-lingually and uptake has exceeded the initial target of 50, currently now at 59.

For Creative and Cultural employers a range of relevant occupational and prioritised vocational qualifications should be accessible to meet the current and future needs of employers is key to the industry.

Vocational qualifications need to meet industry requirements. Creative & Cultural Skills will ensure that industry has a say in which qualifications should be developed and in influencing the content of occupational qualifications. Unlike Higher Education qualifications, industry must have a real say in which vocational qualifications are developed.

Key activities to achieve this:

- The development of new National Occupational Standards (NOS), Apprenticeship pathways and qualifications for new occupational areas in response to industry demand.
- The piloting of new Apprenticeships in other sectors and at higher levels based on need.

- The continuation of close partnership work with the National Skills Academy, as a key delivery partner for our Apprenticeships programme. Through the Apprenticeship Training Service offered by the NSA, we are in a position to broker new relationships with employers and partners and support the take up of Apprentices in the sector (not in Wales).
- Further consultation on different elements of the Sector Qualifications Strategy as required by the sector.

Through this programme of work Creative & Cultural Skills aim to ensure employer confidence in the qualifications system and improve and raise the profile of Further Education provision, thereby increasing access to appropriate skills and training.

3.7 Information, advice and guidance

The industry needs clear information, advice and guidance for individuals aspiring to enter the sector. Changes to the funding of higher education will mean that there is greater need for information, advice and guidance for individuals entering the sector. There is currently an over-supply of graduates with arts degrees aspiring to get jobs in the creative and cultural industries. Despite this over-supply, employers say that the majority of graduates lack the relevant skills for work. The need for improved advice that is tailored to the sector is vital.

Key activities to achieve this

- To provide and signpost relevant knowledge, tools and support to potential and current employees and employers in the creative and cultural industries
- To ensure that content is contextualised, relevant and accessible, and as far as possible, for the industry, by the industry
- To use Creative & Cultural Skills' labour market information and industry intelligence to help users make informed choices

3.8 Higher Education

Skillset has a significant track record of bringing the Higher Education sector and industry together. Working with industry, Skillset approves Higher Education Institutes (HEIs) which provide industry relevant education and learning and development via its Media and Film Academy Network. One of these Academies is

based in Wales. In October 2009, Skillset announced the establishment of the Skillset Media Academy Wales,⁷³ which provides support for a range of high-level, industry-focused learning, education and development for the key media disciplines of digital entertainment; television and radio broadcasting; scriptwriting; journalism; media technology; special effects; sound technology; animation; digital imaging and photography. The Academies provide an answer to industry need for fresh talent and innovation and set new standards in higher education for the design and delivery of practice-based courses. HEIs are assessed by industry evaluators drawn from the education sector and employers in the Creative Media sector.

In Wales, the Skillset Media Academy also manages the Skillset Academi+ programme, which is also informed by Skillset. This programme was established to address skills needs during the recession and established a number of high-level courses for new entrants, freelancers, employers and their employees. A wide variety of training has been delivered in skills priority areas such as leadership and management, business skills, 3D Stereotopic, production skills and multiplatform skills.

Skillset Accreditation of Specific Courses

Skillset Accreditation is awarded to specific practice-based courses in the UK that provide the skills, knowledge and experience needed for individuals to enter the Creative Industries confidently. Skillset has accredited 2 Animation Courses and 1 Computer Games Course in Wales BA/HND in Art & Design (Computer Animation) and the BA Hons Animation at Glamorgan University; and the BA (Hons) Animation at the University of Wales, Newport.

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

Consequently, over a third of all Skillset Accredited course students (34%) and over a quarter of Skillset Academy course students (26%) who find employment six

⁷³ Comprising: School of Art, Media and Design, University of Newport (NSAMD); Cardiff School of Creative and Cultural Industries, University of Glamorgan (CCI); Department of Theatre, Film and Television Studies, Aberystwyth University (TFTS); Faculty of Art, Design and Engineering, Swansea Metropolitan University (FADE) - www.skillset.org/training/san/nations/article_7409_1.asp

months after their course find employment in Skillset industries. For Accredited courses this is over three times the 10% of students on all Skillset relevant courses who find employment in Skillset industries.⁷⁴

Skillset Approved Industry Learning and Development Providers

These are organisations throughout the UK that have undergone a rigorous assessment process to be recognised as meeting the high quality standards required by Creative Media employers. Cyfle is the national vocational training company for the Film, Television and Interactive Media Industries in Wales, and a Skillset Approved Industry Training Provider.

Skillset's (2010) Creative Media Employer Survey also investigated the usage of apprenticeships, graduate internships and work placements/work experience posts. Just 5% of Creative Media employers in Wales offer apprenticeships though a further three fifths (59%) would consider doing so in the future. The occupations that employers in Wales most frequently have or would consider offering apprenticeships in are art and design, distribution, sales and marketing and camera/photography.⁷⁵

An analysis of data from the Labour Force Survey using the combined creative footprints of Skillset and CCSkills (including some Fashion and Textiles sectors), suggests that 9% of the creative workforce in Wales have completed a recognised apprenticeship; similar to the UK figure of 7%.

Employers in Wales were five times as likely to offer graduate internships compared to apprenticeships (25%). In addition, another 46% would consider offering an internship.⁷⁶

Wales based Creative Media employers are the most likely to offer work placements or work experience posts (64%), with a further 22% who would consider offering such posts.⁷⁷

Of the employers in Wales who have not offered or considered offering apprenticeships and graduate internships a variety of reasons were given. The most

⁷⁴ Ibid

⁷⁵ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising

⁷⁶ Ibid

⁷⁷ Ibid

common include preferring to recruit fully trained or qualified staff and not being worth the time for the money received.⁷⁸

For Creative and Cultural employers an increased alignment between Higher Education (HE) and the skills needs of employers in the creative and cultural industry is needed.

It is vital that industry work closely with HE Institution especially given the large number of graduates within the sector. In those areas that are particularly relevant to the creative and cultural sectors universities should be encouraged to better equip students to gain employment in the industry. This is particularly true of specialist schools which feed the industry directly (including drama and dance schools, music conservatoires and specialist craft colleges as well as universities offering specialist courses such as creative writing, arts management and museum studies).

Key activities could include:

- Increase the number of high quality work placements for students.
- Internship and professional development for tutors.
- Industry support and endorsement of high quality courses.

Creative & Cultural Skills - Higher Education

Creative & Cultural skills has worked closely with HEFCW to develop a specific HE action plan that aims to bring employers in our footprint and HE together. As part of this work we are currently scoping out an all Wales Skills Network with HE and FE. Within this action plan we have secured a number of specific outcomes so far:

Work Based Learning

Creative & Cultural skills were successful in their application for £1m for cross sectoral CPD delivery in partnership with the University of Glamorgan. The project will initially scope CPD provision in sub- sectors and then develop new interventions for gaps in provision.

They are developing a complimentary bid with Aberystwyth University, which will cover different activity and geographical area.

Foundation Degrees

⁷⁸ Ibid

Creative & Cultural skills are involved in the development of a number of employer led Foundation Degrees, ranging from Social Media to Digital Skills. They have so far concluded one, for Music Entrepreneurship, in partnership with the Welsh Music Foundation.

Skills for the Digital Economy

Skillset Cymru has recently secured funding support from the European Social Fund (ESF) via the Welsh European Funding Office (WEFO) for *Skills for the Digital Economy*, which is a programme to be managed and delivered by Skillset Cymru over the next 4.5 years.

The programme seeks to develop and deliver flexible, industry-led, high level skills provision which meets the needs of Creative Media employers and freelancers working in West Wales and the Valleys (where GDP per head in these regions is 7% lower than the European average), supporting the knowledge economy and safeguarding the performance and productivity of the sector in these regions. These regions include the unitary authorities of Isle of Anglesey, Conwy, Denbighshire, Gwynedd, Ceredigion, Pembrokeshire, Carmarthenshire, Swansea, Neath Port Talbot, Bridgend, Rhondda Cynon Taff, Merthyr Tydfil, Blaenau Gwent, Caerphilly and Torfaen. The programme has additional funding support from the Welsh language broadcaster S4C and the trade association Teledwyr Annibynnol Cymru (TAC).

Skillset Cymru has also secured support from the Welsh Assembly Government's Sector Priorities Fund Pilot (SPFP) to deliver research into the future skills needs of the Digital/Creative Media sector in wider Wales over the next 5 – 10 years. This research will inform future FE and HE provision and curriculum development for the Digital/Creative Media sector, ensuring that employer needs are being addressed.

3.9 Skills Supply: Continuing Professional Development

A number of key initiatives have been developed over the past few years by Skillset Cymru and all its key stakeholders in Wales to address some of the key skills gaps and shortages that have been identified by professionals already working within the industry. Some of these are highlighted below:

Skillset Cymru Training Framework

In 2008, Skillset Cymru launched its Training Framework in partnership with S4C, Teledwyr Annibynnol Cymru (TAC) and the Welsh Assembly, to support the learning and Continuing Professional Development (CPD) of new entrants, full time employees and freelancers. The support is divided into three key strands as outlined below:-

- *Support for companies:* Creative Media companies can receive high-level, professional support and a free training needs assessment from a Human Resource Development (HRD) advisor to identify the learning and development needs of their staff and then apply for funding towards the costs of this training; *Support for TV Freelancers:* Freelancers can apply to Skillset Cymru for bursaries to attend courses. They can also access free individual learning and development advice and guidance from a specialist careers advisor.
- *Support for training providers/companies to deliver training initiatives (this funding is made up of S4C and TAC funds)*

S4C and TAC annually invest a combined £440,000 into learning and development for the Creative Media sector in Wales. This funding is then matched through investment Skillset Cymru may receive from the Welsh Assembly Government and other partners. Skillset Cymru informs how this investment is disbursed, providing Labour Market Intelligence (LMI) on the skills requirements (industry specific and generic) of existing staff within companies and freelancers operating across the Welsh Creative Media sector. Based on this LMI, S4C and TAC in partnership with the wider industry identify the priority skills needs for the sector. Skillset is then tasked with commissioning demand-responsive learning and development interventions to address these priority skills areas identified. This process ensures that any learning and development provision 'laid on' for the industry is related to the demand within the sector and thus maximizes strategic impact and value in provision planning.

In 2009/10, the fund supported a number of training initiatives in skills priority areas including a high level Leadership and Management programme; an intensive Editing for Non-Editor's programme; a Professional Editors Fund; a high level Scriptwriting Mentoring Scheme; a Multi-Platform Symposium; and three new courses will be delivered in early 2011 focussing on Co-production, High Level Research skills and Ideas Generation. The fund is also about to set its priorities for the remainder of next

year and those priorities will be based on Skillset LMI. Most of these courses have been tendered out to providers including such industry facing providers as Cyfle, DV Talent and Kirkbright.

Skillset Academi +⁷⁹

The Skillset Academi + programme is informed by Skillset Cymru and managed by the Skillset Media Academy in Wales. The project is co-financed by the HEIs and the Higher Education Funding Council for Wales (HEFCW) and delivers short, medium and long-term courses for professionals working across our industries. The learning and development is focussed on responding to the skills needs of the sector during the economic downturn including business, leadership and management, and convergence skills. There are plans afoot to develop the programme into a similar structure to that of Skillset's Build Your Own MA initiative with Higher Education in England. This would lead to the accreditation of modules which individuals could study in combination, with the possibility of gaining an MA.

Enterprise Networks Discretionary Fund

Skillset Cymru had secured support to deliver sector specific masterclasses as part of the Welsh Assembly Government's Enterprise Networks Discretionary Fund. These masterclasses were aimed at enhancing the competitiveness of all sub-sectors within our footprint and supported innovative schemes such as the Pact TV Formatting Masterclass and the Making Journalism Pay course, delivered by the NUJ.

Creative & Cultural Skills has also received support to deliver sector specific events from this fund. The events focus around the dissemination of information from two bespoke pieces of work for the design and music sub sectors, looking at emerging digital business models and the economic impact of music.

Producers Programme

Skillset Cymru has informed and funded a number of schemes looking at developing senior production talent in Wales. It has secured placements for junior Welsh producers on prestigious schemes run by the Research Centre in Glasgow and DV Talent in London. These schemes have up-skilled existing talent to producer and series producer level, ensuring the creative talent base exists in Wales to create

⁷⁹ <http://skillsetacademiplus.org/en>

informative and high quality PSB output. Skillset Cymru is in the process of establishing a new Wales based Producer scheme in 2010.

The same programme established the Talent Attraction Scheme, which Skillset Cymru manages in partnership with Creative Business Wales and Pact and is informed by the BBC, Channel 4 and ITV. The Scheme aims to attract senior executive/series producers with a track record of network production to Welsh production companies for a period of three years. During this time they will use their existing reputation and connections to bring significant network commissions to Wales, but also to train and mentor the next wave of senior production talent within the successful company.

Cult Cymru⁸⁰

Both Skillset and Creative & Cultural Skills partner with the Federation of Entertainment Union's *Creative Unions Learning Together* programme (Wales Union Learning Fund), which aims to establish and support a pro-active freelance learning community to enhance employability by establishing a brokerage system between freelancers across the industry and providers of education, learning and development.

For the Creative and Cultural industries the importance of CPD should not be underestimated:

- 70% of the total UK 2020 workforce are already in employment
- In Wales, 42% of businesses identify skills gaps in their current staff
- Employers say that training is often irrelevant, uncontextualised and difficult to find
- 10% of employers say they would provide more training if they knew where to source it
- Government support for business and skills development is regularly untapped by the creative and cultural industries who seldom engage
- The current challenging economic climate in which employers need to keep pace with changes in regulations, technology and respond proactively to opportunities exacerbates this need. In the current climate business skills and the management of change are likely to be essential elements

⁸⁰ www.cultcymru.org

Key activities to achieve this:

There is a broad range of CPD resources, courses and training available in the market place. It will be important therefore to identify relevant provision, gaps and mismatches with the industry.

ESF/WBL funded research into cross sectoral continuing professional development, cultural leadership, Welsh language skills, informal learning and international future skills: Creative & Cultural Skills have secured £1M in partnership with the University of Glamorgan to scope and deliver Professional Development programmes for the next three years via HE and ESF funding. The project will begin in March 2011.

For Fashion and Textiles specifically, the key new development required by the sector as a whole is investment in new forms of apprenticeships, for it is at Associate Professional and Technical levels that the largest skills gaps appear.⁸¹

⁸¹ Future Skills Survey Wales 2005

4. Anticipating What Lies Ahead

4.1 Sectoral Growth Potential

The findings in this report so far do support a broadly positive outlook for Welsh Creative Industries in the medium to long term especially in the context of the Welsh Assembly's Economic Renewal Strategy⁸² and Creative Industries Strategy⁸³: Future growth may be greater however in some sectors than others, for example in Performing Arts and Visual Arts. For more details see both Skillset's Creative Media and Fashion and Textiles SSAs for Wales, and Creative & Cultural Skills SSA for Wales 2010.

⁸² Economic Renewal: A new Direction, Welsh Assembly, July 2010
<http://wales.gov.uk/docs/det/report/100705anewdirectionen.pdf>

⁸³ The Heart of Digital Wales: a review of Creative Industries for the Welsh Assembly Government, March 2010 <http://wales.gov.uk/docs/det/publications/100324creativeindustriesrpten.pdf>

5. Geographical Differences in Labour and Skill Needs

5.1 Sector Employment across Wales

Very few studies have sought to analyse the dispersion of the Creative Industries across Wales. The Labour Force Survey consistently ranks Cardiff and South East Wales as the major employment area for the wider genre of culture, media and sport.⁸⁴

Table 8 shows the market features of the Creative and Cultural Industries. Craft businesses are most concentrated in Wales with 25% of all businesses followed by Design with 16% of all businesses. Cultural Heritage contributes the most GVA per head at £168.21. In total Wales has 2.75% of all Creative and Cultural businesses and 4% of the Creative and Cultural Workforce.

Table 13: Creative and cultural industries market features

Industry Subsector	Number of Businesses	Businesses Employing Fewer than 10 People	Ave. Age of Businesses (Years)	Business Start-up (% Over 2006-2009 Ave)	Business Deaths (% Over 2006-2009 Ave)	Gross Value Added (in Billions)	Contribution to GVA Per Head pa (£k)
Craft	600	97%	21	15	13	£0.11	£39.71
Cultural heritage	*	90%	20	13	12	£0.43	£168.21
Design	340	95%	15	28	15	£0.23	£29.23
Literature	280	98%	25	19	17	£0.05	£20.81
Music	240	94%	24	15	15	£0.11	£24.44
Performing arts	270	95%	16	18	15	£0.13	£18.91
Visual arts	*	92%	18	21	17	£0.01	£4.62
Wales total	1,840	94%	20	19	15	£1.04	£37.48
UK Creative and cultural industries total	66,910	92%	18	20	16	28.0	£35.3
UK economy total	2,152,400	89%	17	23	16	915.3	£31.8

Creative & Cultural Skills (2008) Creative and Cultural Industry: Impact and Footprint 2008/09

* Figure less than 100

⁸⁴ Labour Force Survey reports

It remains likely that Cardiff will continue to dominate employment in Creative Industries in Wales in the near future. Moreover, it has been suggested that Cardiff may now join Birmingham, Manchester, Edinburgh, and others as one of the new creative centres or ‘hubs’ located outside of London.⁸⁵ This is particularly the case in relation to the TV drama genre, with Cardiff rapidly developing a reputation as a centre of excellence outside London.

5.2 Wales’ place in Sector Employment across the UK

Table 9 and 10 shows that 4% of the UK Creative Media and Creative and Cultural workforce is based in Wales. Since Wales makes up around 5% of the UK population, this finding suggests that per capita, Wales has (albeit marginal) disproportionately lower levels of employment in Creative Industries. The tables illustrates the dominance London and the South East of England has on employment in the Creative Industries.

Table 14 Work base of Creative Media Workforce

Nation/English Region	% of UK total
Wales	4%
Scotland	5%
Northern Ireland	2%
England	90%
All London	38%
South East England (excluding London)	12%
South West England	8%
West Midlands	5%
East Midlands	4%
North East England	2%
Yorkshire & the Humber	5%
East of England	8%
North West England	9%

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

⁸⁵ Presentation by Professor Paul Cooke, Centre for Advanced Studies, University of Cardiff (2006)

Table 15: Creative and Cultural Employment Distribution across the UK

Region	% Creative and cultural employment	% Total UK employment	% Difference
North East	3%	4%	-1
North West	8%	11%	-3
Yorkshire & Humber	6%	8%	-2
East Midlands	6%	7%	-1
West Midlands	7%	8%	-1
East of England	7%	10%	-3
London	25%	13%	+12
South East	16%	14%	+2
South West	9%	9%	0
England	88%	85%	+3
Wales	4%	5%	-1
Scotland	7%	9%	-2
Northern Ireland	2%	3%	-1
UK	100%	100%	

Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11

In contrast Wales has some 3% of the total UK Fashion and Textile workforce of 340,000 (10,000 jobs). The North West (54,760 employees), followed by London (46,430 employees) the East Midlands (46,380) and Yorkshire and Humber (35,910) have the greatest proportions of employees in the sector. In comparison, The North East has a much smaller fashion and textiles employment base (10,920 employees). Table 11 illustrates the spread of these 10,000 jobs across the country of Wales.

The fashion and textiles sector in Wales is heavily clustered around the South East of the country, with 48% of employment within this region. Further analysis shows over a third (36%) of all fashion and textiles sector employment within Caerphilly, Cardiff, Rhondda, Cynon, Taff and Swansea.

There are also key pockets of activity that exist around Flintshire, Powys and Carmarthenshire, each contributing around 7% of total fashion and textile employment in Wales.

By sub-sector, these clusters are also apparent. Examining data for the four sub-sectors that official data sources give location information for, the key messages are:

Apparel and sewn products

The largest employing county/unitary authority within apparel and sewn products can be found within Flintshire, accounting for 12% of all employment. However, the sub-sector as a whole is concentrated around the South East of the country, with between them; the cities of Cardiff and Swansea are responsible for almost a fifth of all employment within this sub-sector. Carmarthenshire, Powys and Denbighshire also employ a number of people within this sub-sector.

Textiles

Activity within the textiles sub-sector is heavily centred around Caerphilly, with almost a third of textile employment based here. Within the South East, Rhondda Taff, Torfean, Cardiff and Merthyr Tydfil employing over a third of all textile employment here. Employment can also be found within Powys.

Footwear and leather

Footwear and leather is a niche concern for the sector in Wales, with data suggesting Rhondda Cynon Taff employing over a quarter of the workforce involved in these processes. Bridgend, Cardiff and Swansea in the South East employ a number of people within this sector. There are also pockets of employment identified within Gwynedd and Powys.

Table 16: Geographical spread of the fashion and textiles sector in Wales

Welsh Region	Total	Total %
South Wales	4,800	48%
North Wales	3,000	30%
West Wales	1,500	15%
Mid Wales	600	6%

Source: ABI 2007

Excepting Fashion and Textiles, it is unclear what effect the dominance of London has on the Welsh Creative Industries. It is known that some sectors in Wales have significantly lower activity levels than might be expected on a per capita basis. Television remains very much London-centric, for example. As Skillset has argued, this impacts not only upon the economic well-being of the Welsh Creative Economy,

but also fails to represent the diverse cultural and social voices of Wales to the rest of the UK.⁸⁶ Moreover there must be concern that talent nurtured in Wales is being lost to London and that this will prove a major disincentive to Welsh employers to invest in workforce learning and development.⁸⁷

However, Wales does have major advantages. The proximity of London to Wales (2 hours by train between Cardiff and London) supports networking opportunities leading potentially to new business, including inward investment from international companies. It also offers a potentially lucrative and convenient employment centre for many Welsh Creative Media workers.

In recent years, there have been deliberate attempts to stimulate activity outside of London and the South East. Ofcom's Public Service Broadcasting (PSB) Review has provided a foundation from which the Welsh Assembly Government can support developments towards a more significant market for network production in Wales. The impacts of this are likely to have spill-over effects across the production community and other sub-sectors in Wales. Whether there is the critical mass needed to persuade companies to locate (or relocate) to Wales; or whether Wales offers sufficient levels of infrastructure and support such as access to finance – these issues still need to be addressed.

Large markets also exist within those regions bordering Wales, including the North West, West Midlands and South West regions of England – suggesting a sizeable working industry is within easy reach of the Welsh workforce. It is not known however what opportunities this presents for Welsh based companies and workers, and to what extent Wales currently benefits from cross border working.

⁸⁶ Sector Skills Agreement for the Creative Industries Wales Update 2008-11, Skillset

⁸⁷ Ibid

Annex A

Combined footprint analysis for Skillset and CCSkills of the Labour Force Survey

An analysis of data from the Labour Force Survey (LFS) was undertaken for the purpose of the summary report. A variable for analysis was created using Standard Industrial Classification (SIC) codes from the contractual footprints of Skillset and Creative and Cultural Skills. LFS data from Jul 2009 - Jun 2010 to remain consistent with other LFS data reported in the Wales summary and UK SSA.

Limited representation of the industry

- The figures represent the Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES but do not represent the full extent of the industries that these sector skills councils are licensed to support.
- The data exclude many of those working in Interactive Media, Content for Computer Games, Facilities, and freelancers currently not in employment.
- Other sectors poorly represented by the data are [Design](#), [Literature](#), [Visual Arts](#), [Music](#), [Performing Arts](#) and all [Craft](#) activity.
- Figures exclude Fashion and Textile Wholesalers, Repair of Footwear and Leather Goods, and Laundry and Dry Cleaning sectors due to the limited creative activity within these.
- Figures exclude those working in the Reproduction of Video Recording and the Manufacture of Men's Underwear due to insufficient sample sizes.

Table A: 2 digit SIC codes included in the analysis of data from the LFS

Creative media	
18.20/2	Reproduction of video recording
58	Publishing
59	Motion picture, video and TV production activities
60	Programming and broadcasting activities
63.91	News Agency activities
63.99	Other information Service activities n.e.c.
73.1	Advertising

Fashion and textiles

- 13 Manufacture of textile
- 14 Manufacture of wearing apparel
- 15 Manufacture of leather and related products
- 20.6 Manufacture of man-made fibres
- 46.16 Agents involved in the sale of textiles, clothing, fur, footwear and leather goods*

Creative and cultural

- 18.20/1 Reproduction of Sound Recording
- 32.1 Manufacture of jewellery, etc
- 32.2 Manufacture of musical instruments
- 59.2 Sound Recording and Music Publishing Activities
- 74.1 Speciality Design
- 85.52 Cultural Education
- 90 Creative, arts and entertainment
- 91.02 Museum Activities
- 91.03 Operation of Historical Sites and Buildings and Similar Visitor Attractions