



Sector Skills Assessment for the Creative Media Industries in Wales



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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** – the increasing levels of TV drama production (including the new BBC Drama Village in Roath Basin) over recent years needs to be built upon. This will provide a platform on which to build and explore further commercial opportunities and entry to new markets. 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;
- **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 Media 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. Skillset’s Media Academy Wales and Accredited courses are however helping to facilitate a better ‘fit’ between course and what might be expected by employers.
- **Increased investment in Research and Labour Market Information** – before the skills needs of the Creative Media 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

Skillset is responsible for the production of Sector Skills Assessments (SSAs) for each of the UK's four constituent nations. This document sets out the SSA for the Creative Media Industries in Wales. SSAs are submitted to government to inform an annual National Strategic Skills Audit that covers the UK's entire economy. Importantly they are also major assessments of the skills needs of our Industries, drawing on the data and intelligence captured, and will form a key part of Skillset's Business Planning cycle.

Skillset is the Sector Skills Council for the Creative Media Industries, representing 14 sectors which are grouped into six sectors of the DCMS Creative Industries classification. At the heart of the Creative Industries, the Creative Media sector includes companies involved in: Advertising, Textiles, Fashion¹, Film, Television, Radio, Photo Imaging, Interactive Media, Publishing, Animation, Content for Computer Games, Commercials and Promos, Corporate Production, Post Production and Visual Special Effects and Other Specialist Facilities. For ease in some cases the following sectors are referred to and grouped under the umbrella heading 'Audio Visual': Broadcast (TV and Radio), Film, Corporate Production, Commercials and Pop Promos, Facilities, Animation, Interactive Media and Content for Computer Games.

The Creative Media sector in Wales faces the same major challenges as the rest of the UK. Perhaps of most note is the challenge of exploiting IP in a more digital environment. The Hargreaves' review of the Creative Industries in Wales 2010 recommended a move away from the service model. This was of particular relevance for those parts of the Creative Media sector that were most dependent on public spending. In exploiting IP there is a recognition that not all types of creative activity have the same IP frameworks. Freelancers can be particularly exposed through lack of time and knowledge to exploitation by others.

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 multi-platform of a more digital environment. They have arguably become over-reliant on the broadcasters in Wales.

Public spending cuts mean that other sources of funding are required. Indeed for some sectors of Creative Media such as Television, Radio and Film, Welsh language

¹ A separate SSA has been produced for the Fashion and Textiles Industry

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.

Skills Needs

The Welsh Creative Media sector is a relatively small and distinct part of the wider UK Creative Media sector which employs over 500,000 people directly. Skillset estimates show that around 20,300 people work in the Creative Media sector in Wales, approximately 4% of the UK total.² The largest sectors in Wales in terms of workforce are Interactive Media (approximately 3,850 people), Television (3,500 people), Publishing (3,300 people) and Advertising (2,800 people) – see Annex B for sub-sector employment data. A further 3,500³ people are employed in Creative Media specific occupations in other industries.

There are an estimated 1,300 Creative Media companies⁴ in Wales (including some sole-traders)⁵ and a breakdown by broad sector can be found in Table 1 on page 16. In terms of company size it is likely that companies based in Wales will follow the same trend as the wider UK, where SMEs dominate numbers. The vast majority (84%) of companies across the UK Creative Media Industries are small (fewer than 10 people) and just 2% of companies are large (100 people and more).⁶

In Film and Television production there is a distinct lack of high end craft skills such as technicians, riggers and electricians. When big film productions come to Wales, crew from outside Wales are usually brought in to service the production. As one participant told Skillset during the Welsh qualitative phase of research in October 2010 ‘There are no electricians left in Cardiff to service productions’.⁷

² Skillset 2009 Employment Census (all creative sub-sectors excluding Film Production, Photo Imaging, Publishing and Advertising), secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and Labour Force Survey, ONS July 2009 – June 2010.

³ LFS, ONS July 2009 – June 2010

⁴ 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).

⁵ 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.

⁶ Skillset (2009) Employment Census and IDBR 2009 (Photo Imaging, Publishing and Advertising).

⁷ Findings in this section all from focus group with Welsh employers and stakeholders undertaken in October 2010 as part of Skillset’s employer and stakeholder qualitative framework 2010.

In addition there are other shortages that include: carpenters, stunt performers, production accountants, riggers, unit nurses, jimmy jib, script supervisors, set designers, DOPs, storyboard artists and line producers.

Programming is another identified area of skills shortage. It was clear that some employers feel that communication between the traditional TV companies and the newer interactive/new media companies could be improved. The established big firms are not as aware of the skills needs or opportunities arising from multi-platform content. The old business model is still being used and too often the need for multi-platform skills ignored. Some are addressing the issue and Cyfle's recent Multi-Platform for TV Creatives (MPTV) course, which successfully showed how interactivity and its commercial possibilities could be integrated into a training programme, was cited as one such attempt.

S4C also have examples of taking on trainees from the MPTV who had the T-skills required. This particular course had worked because the trainees were set real-life multi-platform briefs by companies.

Another identified need is for more mergers across the sector of small companies into larger firms that have the infrastructure to develop people and the necessary muscle to win bigger contracts and attract more money from outside finance. Animation companies tended to rely on digital agencies, which was sufficient at the time to navigate through the multi-platform world. Games companies went bust in Wales during the recession by slavishly following a service model. Moreover public sector cuts threaten the business viability of many Interactive companies that up to now have taken large elements of their revenue through public sector contracts.

Business skills are another set of skills urgently required across more sectors and companies. So-called 'diagonal thinking' relating to creativity and entrepreneurship are becoming the sine qua non for most employers but these are in very short supply in Wales as elsewhere across the sector.

Some excellent efforts have been made to try to address the development of business related skills within the sector. For example in Film, the Skillset Academi+ Programme recently supported the Film Agency for Wales to deliver the Film Junction scheme focusing on creative management, business planning and reaching audiences. Skillset Academi+ has also delivered courses for freelancers and employers to think critically about the current performance of their business and plan for the future. The Skillset Cymru Training Framework has invested S4C and TAC funds into the delivery of two cohorts of the successful Kirkbright Creative Business Leader Programme. This

scheme covers vital areas of creating a vision, commercial strategy, inspiring and leading people, intellectual property and convergence media.

BECTU, as part of its CULT Cymru programme, also undertakes regular Learning Needs Analyses (LNAs) with freelance members. Business skills are regularly identified and courses are run to specifically address these needs.

At a new entrant level, business skills have to be embedded as part of FE/HE education courses. Students need to realise that the likelihood is that they will be freelance rather than permanently employed. As freelancers, they will be responsible for their own business needs (i.e. own taxes, VAT, managing own accounts, selling themselves). Students needed to be able to market themselves and manage others, but also to think big. Today's students could be setting up tomorrow's companies. Critically a one size fits all approach is not the right approach. A small independent requires a different approach to a large corporate.

Sales and marketing skills need to be international in outlook and scope. Wales is part of a wider UK and international market in all sectors of the Creative Media Industries.

Succession planning is also an issue. New leaders with new insights are needed who can help take older leaders to the next stage. 'Crisis' management is also important. Over the next 5 years broadcasters will have less money, content will increasingly be made directly available to consumers and old business models will disintegrate. The talent stream that can avert these crises needs to be identified now.

A final area of skills need is for highly fluent Welsh language speakers across the board – from Broadcasting to Publishing. S4C is committed to delivering programmes through the medium of Welsh and obviously therefore, Welsh language skills are critical for those production companies commissioned by the broadcaster. BECTU had also recently undertaken 265 LNAs with its members and 20% had indicated a Welsh language training need. S4C and TAC invests heavily in Cymraeg Clir (Clear Welsh) courses which Cyfle deliver. S4C also has an onscreen tool so people of varying levels of proficiency can access programming/subtitles/online pages that meet their needs.

Skills Supply

It was clear from the employers consulted that most FE or HE provision was not as relevant as it needed to be in order to deliver job-ready entrants to the sector.⁸ Huge

⁸ Findings in this section all from focus group with Welsh employers and stakeholders undertaken in October 2010 as part of Skillset's employer and stakeholder qualitative framework 2010.

strides have been made to address this issue via the Skillset Media Academy Wales, but further industry scrutiny of courses is needed to ensure that students are fully prepared for careers within the industry.

One of the problems with course design was felt to be the fast-moving nature of developments within Creative Media. It is hard for FE/HE to keep up in some areas. Moreover many employers are reluctant to commit time and effort to developing training. It was recognised that projects like the Skillset Academi+⁹ programme represented a good starting point to develop specialised provision within HE.

In terms of Continuous Professional Development however, over the past few years, we have seen a considerable amount of investment into training in Wales. In the past two years for example, Skillset Cymru secured £1.9m in funding for the delivery of training schemes for approximately 900 people. This funding was secured from the Welsh Assembly Government, S4C, TAC, the Skillset UK-wide Film Fund and TV Freelance Fund. The funding was invested in key training programmes such as the Kirkbright Creative Business Leader programme; Cyfle new entrant training programmes in Film and Television; and Cyfle's Multi-platform Development Scheme for TV and High-level Scriptwriting programme.

Working in silos is now no longer permissible. A more coherent strategy around joined up working in light of widespread cuts and the future BBC drama village, needs consideration. In this regard Skillset would have an important role in facilitating dialogue between training and industry as they have the clearest overview of what's going on with the broadcasters, independents, the Welsh Assembly Government, other support agencies, Unions, FE/HE, private training providers and the sub-sectors of their footprint.

Mentoring was also mentioned as a positive way of developing people in the sector and has been initiated by Skillset Cymru supported initiatives such as the Kirkbright scheme and the Film Junction programme. The BECTU Creative Unions Learning Together (CULT) Cymru project also uses professionals at the end of their careers to offer the benefit of their own experience to the next generation. CULT Cymru also invests in train-the-trainer and mentor-the-mentor schemes.

⁹ The Skillset Academi + programme is informed by Skillset Cymru and managed by the Skillset Media Academy Wales. The project is co-financed by the HEIs and the Higher Education Funding Council for Wales (HEFCW). The Programme delivers short, medium and long-term courses for professionals working across the Creative Media Industries.

The cost of learning and development had been less of a barrier to companies over the last 3 years due primarily to the availability of support from various Skillset funds and mainstream support from the Welsh Assembly Government, via programmes such as the Workforce Development Programme and the Leadership and Management Programme. A key element of the Skillset Cymru Training Framework is that companies commissioned by S4C are required to apply to join the Skillset Cymru Training Framework – whereby companies devise a learning and development plan with a specialised Human Resource Development (HRD) Advisor and draw down funding to implement the plan. The funding comes from the Welsh Assembly and will cover 50% of the plan's costs. The company must find the other 50%. There were varying amounts of financial support based on a company's size, turnover and whether they were an inward investor to Wales.

Finally diversity remains an issue. Some larger companies do operate major initiatives to increase the levels of diversity in their businesses. For example Pact's diversity advisor, who is funded by Channel 4 and BBC, works with the Independent sector to help them with their diversity strategies and sign up to the CDN pledge, which all Pact members have been invited to sign. In doing so, they express their commitment to diversity in the production sector to their peers, broadcasters and key stakeholders. Cyfle has also run several new entrant level diversity schemes over the last few years and is running one with the BBC aimed at BAME entrants to the sector.

TAC and Capitol Law are also developing recruitment toolkits to address diversity within the sector. Finally Welsh language requirements are often met via Cymraeg Clir courses delivered by Cyfle.

1.1 Aims and Objectives of a Strategic Skills

Assessment

The overarching aim of the SSA is to influence government policy and inform the learning and development delivery system in Wales. In order to do so this SSA:

- Analyses Wales-specific skills data to produce a detailed report outlining the skills priorities facing the Creative Media sector in Wales in 2010 and beyond;
- Has drawn on feedback from a focus group with employers and stakeholders carried out to identify the current and emerging skills needs of the sector;

- Uses a combination of data and feedback from industry and stakeholders to explore the particular skills needs in Wales and the extent to which they differ from, or match, those of the UK; and
- Aligns closely with the UK-wide Creative Media SSA document.

1.2 Policy Context

Creative Media is an important sector for the economy, both for Wales and the whole of the UK. Both the UK Government and the Welsh Assembly have underlined this fact.¹⁰ There have been a number of important policy developments which will have a direct bearing on the sector over the next 3 to 5 years. A brief summary of these is provided below:

- **Public Spending Cuts from 2011-2014** – the Welsh Government budget has received an overall cut of 11.3% in its resource allocation from HM Treasury. However spending on skills is protected for the coming year and will suffer the lowest reductions in real terms over the whole period in comparison to most other public spending areas.¹¹
- **Welsh Assembly Review of the Creative Industries**¹² – the Welsh Assembly Government have conducted a review of the Creative Industries in Wales which reported in March this year (2010). This is part of a broader economic renewal programme started by the Welsh Assembly. The report recommended that the Creative IP Fund should be replaced by a broader Creative Industries Fund accessible to all digital media industries. A Digital Wales Board should be established to provide the over-arching framework. A new Creative Industries Strategic Hub, led by a Head of Creative Industries and supported by a Creative Industries Board should be set up. The Creative Industries Strategic Hub should recommend a re-organisation of Wales’ support for the Film industry designed to eliminate duplication and maximise economic impact and efficiency. In addition the Assembly Government should map the entire Creative Industries and require S4C, the BBC and Channel 4 to deliver an annual audit of their

¹⁰ www.number10.gov.uk/news/speeches-and-transcripts/2010/10/creating-a-new-economic-dynamism-56115;
<http://wales.gov.uk/about/cabinet/cabinetstatements/2009/creativeindustries/:jsessionid=hziLKt7TVc1sTDgscTd4ytrSrydQhLLpBhpkY1T31Fg2c1xSGYqm!1761965113?lang=en>

¹¹ <http://wales.gov.uk/docs/finance/report/101117budgetnarrativeen1.pdf>

¹² <http://wales.gov.uk/about/cabinet/cabinetstatements/2009/creativeindustries/:jsessionid=hziLKt7TVc1sTDgscTd4ytrSrydQhLLpBhpkY1T31Fg2c1xSGYqm!1761965113?lang=en>

economic impact on Wales and an assessment of economic issues looking at least one year ahead, while doing all it can to help deliver the BBC's Media Capital project, using this to provide a new core for a Creative Industries cluster in South East Wales.

- **Economic Renewal Programme** – the Welsh Assembly's Economic Renewal Programme marks a departure from previous economic renewal policies. Broadly speaking the focus is a move away from direct support for specific companies - a picking winners strategy - towards a broader strategy of creating the conditions for growth in which companies can flourish. This was agreed in the summer of 2010. Along with the UK government's focus on building high growth potential sectors of the economy the Economic Renewal Programme similarly will focus on sectors such as the Creative Industries through supporting infrastructure such as next generation broadband.
- **Delivering Skills That Work for Wales: Investing in Skills**¹³ – this consultation sets out the goal of establishing a more demand-led and responsive skills system. It highlights a key role for Sector Skills Councils (SSCs) particularly in relation to implementing the Sector Priorities Fund (SPF) in collaboration with the Further Education sector.
- **For Our Future - The 21st Century Higher Education Strategy and Plan for Wales**¹⁴ – is the Higher Education strategy and plan for Wales. It makes reference to SSCs as having a key role to play in strengthening the contribution of higher education to workforce development and in relation to bringing employer/business needs into HE provision.

1.3 Research and Data

The analysis in this document is based on data and information from a number of UK sources which are listed in Annex C. This includes sector-endorsed primary research from Skillset and secondary data sources. It also draws on Wales specific data linked to skills analysis work undertaken by Skillset Cymru with a number of employers within the Creative Media sector in Wales as part of the Training Framework Programme.¹⁵ In

¹³ <http://wales.gov.uk/docs/dcells/consultation/091023investinginskillsen.pdf>

¹⁴ <http://wales.gov.uk/docs/dcells/publications/091214hestrategyen.pdf>

¹⁵ The Skillset Cymru Training Framework, officially launched in January 2008, has taken a strategic approach to the skills and learning and development needs of the sector, and represents a joint approach by Skillset Cymru, S4C, the trade association Teledwyr Annibynnol Cymru (TAC) and the Welsh Assembly

addition to this a focus group with key employers and stakeholders (including broadcasters, unions, learning and development providers and sector bodies) was undertaken in October 2010. A list of those who participated is provided in Annex D.

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

- Key elements of the Creative Media Industries sit in broad classifications that include activity outside of Creative Media preventing any discrete and crucial analysis e.g. Interactive Media, 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. As it stands many of the sample sizes achieved by official data sources for the Creative Media Industries in Wales are far too small to enable discrete analysis.

Gaps in official data sources have been filled by the primary research programme Skillset manages which was established by the Audio Visual Industries Training Group a decade ago and has since been steered by the same organisations involved.¹⁶

Due to the low base sizes in Wales, Labour Force Survey data for the Photo Imaging, Publishing and Advertising sectors cannot always be included in cross-sector statistics. Skillset's (2010) Creative Media Workforce Survey, from which data will be available in 2011, will enable future analysis of the Photo Imaging and Publishing sectors at a National level.

Government to support the skills and learning and development needs of production companies and freelancers within the Welsh Creative Media sector.

¹⁶ www.skillset.org/research/committee/

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 Media sector. It is structured under the following headings:

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

2.2 Employment Profile

Skillset estimates show that around 20,300 people work in the Creative Media Industries in Wales.¹⁷ The largest sectors in Wales in terms of workforce are Interactive Media (approximately 3,850 people), Television (around 3,500 people), Publishing (3,300 people) and Advertising (2,800 people) – see Annex B for sub-sector employment data. A further 3,500¹⁸ people are employed in Creative Media in occupations in other industries.

There are an estimated 1,300 Creative Media companies¹⁹ (including some sole-traders)²⁰ in Wales and a breakdown by broad sector can be found in Table 1. In terms of company size it is likely that companies based in Wales will follow the same trend as the wider UK, where SMEs dominate numbers. The vast majority (84%) of companies across the UK Creative Media Industries are small (fewer than 10 people) and just 2% of companies are large (100 people and more).²¹

¹⁷ Skillset 2009 Employment Census (all sub-sectors excluding Film Production, Photo Imaging, Publishing and Advertising), secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and Labour Force Survey, ONS July 2009 – June 2010. This figure is higher than that reported in official data sources (see Table 4 in Annex B which estimates a Creative Media workforce approaching 14,500 and the UK Employment and Skills Almanac 2010 estimate of 8,500). As outlined in Annex B this is due to the categorisation of Interactive Media, Content for Computer Games and Facilities within broader classifications that also include activity outside of Creative Media and the systematic exclusion of freelancers.

¹⁸ LFS, ONS July 2009 – June 2010

¹⁹ 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).

²⁰ 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.

²¹ Skillset (2009) Employment Census and IDBR 2009 (Photo Imaging, Publishing and Advertising).

Table 1: Company breakdown

Sector	Number of Companies
Television	50
Radio	50
Film ²²	Less than 25
Animation	Less than 10
Interactive Media	300
Content for Computer Games ²³	Less than 25
Other Content Creation (Corporate, Commercials and Pop Promos)	Less than 25
Facilities	100
Publishing	300
Photo Imaging	200
Advertising	250
Total	1,300

NB: All totals are rounded to the nearest 50.

Occupational Breakdown

In order for the Creative Media 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. Table 2 provides a breakdown of employment by occupation in the Creative Media Industries in Wales.

Table 2: Occupational Breakdown - Creative Media Industries in Wales²⁴

Occupational Group – Creative Media and Advertising	Total – Creative Media (%)	Total – Advertising (All UK) ²⁵ (%)
Strategic Management	8%	6%
Creative Development	3%	11%
Production	20%	6%

Occupational Group – Publishing (All UK)	Total (%)
Managers and Senior Officials	28%
Professional Occupations	4%
Associate Professional and Technical	40%

²² Excludes Cinema Exhibition

²³ 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).

²⁴ 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.

²⁵ Occupations mapped to Skillset's Occupational Functional Map.

Occupational Group – Creative Media and Advertising	Total – Creative Media (%)	Total – Advertising (All UK) ²⁵ (%)
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.

Freelance Employment and Cross Sector Working

For the purpose of this document, a member of the Creative Media 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.²⁶ Three in ten (28%) of the workforce in Wales is freelance²⁷, higher than the average of 25% for the UK as a whole.²⁸ 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 Media 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), Photo Imaging (54% in Wales, 67% in UK), Animation (53% in Wales, 46% in UK) and Independent Production for TV (38% in Wales, 44% in UK).²⁹

Overall, half (50%) of employers in the Creative Media Industries in Wales reported using freelancers in the last 12 months; this is the same as the 50% of Creative Media employers across the UK.³⁰

Changes in employer demand for freelancers over the past year were also explored in Skillset's (2010) Creative Media Employer Survey. Just two in ten (21%) employers in Wales stated that their company's requirement for freelancers had *increased* over the last 12 months. A further 54% said that their need had not changed in the past 12 months and 25% said that their need had *decreased*. Employers in Wales were less likely than those in other Nations to have experienced an increase in demand (30% in England, 37% in Scotland and 45% in Northern Ireland).³¹

In addition, 29% of Creative Media employers in Wales believed their company's requirement for freelancers would *increase* over the next 12 months, 51% believed it would *stay the same* and 13% thought it would *decrease*. Employers in Wales were

²⁶ 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.

²⁷ 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.

²⁸ 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.

²⁹ Ibid

³⁰ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

³¹ Ibid

more likely than those in England to foresee an increase in demand (23%), but less likely than employers in Scotland (26%) and Northern Ireland (36%).³²

A third (34%) of the Wales Creative Media workforce use their skills across more than one sub-sector. This is particularly pronounced in Outside Broadcast, Corporate Production, Post Production and Animation.³³

Gender, Ethnic Background, Disability & Age

Table 3 below presents data on the key characteristics of the Creative Media workforce at a Wales and UK level, looking specifically at gender, ethnic background, disability and age.³⁴ The table reveals that:

- Representation of women is lower in the Creative Media Industries in Wales than the UK as a whole (29%³⁵ compared to 38%³⁶). Both figures are lower than the figures for the Wales and UK economy as a whole (48% and 47% respectively);³⁷
- Black, Asian and Minority Ethnic (BAME) representation in the Welsh Creative Media sector (2%) is similar to the wider Welsh economy (3%).³⁸ This compares to 7% across the wider UK Creative Media workforce;³⁹

³² Ibid

³³ Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging, Publishing and Advertising.

³⁴ 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.

³⁵ 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.

³⁶ 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 Media Industries and is preferred to using LFS data alone due to the exclusion of many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers (without these sectors women make up 42% of the workforce as reported in the UK Employment and Skills Almanac 2010).

³⁷ LFS July 2009 – June 2010

³⁸ 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 LFS July 2009 – June 2010 (wider Welsh economy).

³⁹ 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 Media Industries and is preferred to using LFS data alone due to the exclusion of many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers (without these sectors BAMEs make up 8% of the workforce as reported in the UK Employment and Skills Almanac 2010).

- 7% of the Welsh Creative Media workforce consider themselves to be disabled (as defined by the Disability Discrimination Act)⁴⁰, compared to 9% across the UK⁴¹;
- 48% of the Creative Media workforce in Wales is under 35 years⁴², suggesting a relatively young workforce (in comparison to the Creative Media Industries across the UK where 38% of the workforce are aged under 35);⁴³
- 29% of the workforce speaks Welsh.⁴⁴

Table 3: Employment Profile of Creative Media Industries in Wales

Characteristic	Wales ⁴⁵	UK ⁴⁶
16-34 years	48%	38%
35 years and over	52%	62%
Female	29%	38%
BAME	2%	7%
Disabled	7%	9%
Welsh Speakers	29%	-

⁴⁰ 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.

⁴¹ Skillset (2008) Creative Media Workforce Survey, Skillset /UK Film Council (2008) Feature Film Production Workforce Survey and LFS July 2009 – June 2010.

⁴² 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.

⁴³ 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 Media Industries and is preferred to using LFS data alone due to the exclusion of many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers (without these sectors 38% of the workforce are aged under 35 years as reported in the UK Employment and Skills Almanac 2010, which is the same as the broader figure presented).

⁴⁴ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest.

⁴⁵ *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.

⁴⁶ 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.

Income

The average income within the Creative Media Industries workforce in Wales is £28,700, compared to £32,300 across the UK (varying from over £37,000 in Terrestrial TV and Computer Games down to £12,400 in Cinema Exhibition).⁴⁷ Within the Creative Media sector the average earned by employees is significantly higher than that earned by freelancers across the UK - £33,300 compared with £29,450.⁴⁸ For the tax year ending 5 April 2010 the median gross annual earnings for full-time employees across the UK economy were lower than the Creative Media Industries at £25,900.⁴⁹ This is unsurprising given the high proportion of graduates in the Creative Media Industries.

2.3 Economic Profile

Over the last decade, the Creative Media Industries have grown at twice the rate of the economy as a whole. The UK has the largest Creative Industries in the world relative to GDP, and is a world leader in culture and media, consistently in the top three achieving countries.⁵⁰ At the heart of the Creative Industries is Creative Media - which comprises a diverse number of market sectors, from Advertising, Television, Radio, Film and Publishing through to Content for Computer Games and Photo Imaging. Recent figures suggest that the UK's Creative Media Industries employ over half a million⁵¹ people, and contribute around 6.4% of UK economic output (or around £77 billion), making it the largest in Europe.⁵²

The Creative Media Industries are also playing an incredibly important role in the economic, social and cultural life of Wales. The Welsh Assembly Government has identified the Creative Media 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, including Creative Media businesses to flourish. As part of its skills and employment strategy, *Skills that*

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

⁴⁸ Ibid

⁴⁹ Annual Survey of Hours and Earnings, ONS (2010)

⁵⁰ Technology Strategy Board Creative Industries Strategy 2009-2012, Technology Strategy Board (2009)

⁵¹ Skillset (2009) Employment Census, secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and Labour Force Survey, ONS July 2009 – June 2010.

⁵² Nesta Annual Review February 09, p22

Work for Wales, the Welsh Assembly Government has placed the skills agenda at the heart of its programme for economic growth, and sees SSCs such as Skillset as being “*the strategic interface between employers and the Assembly Government*”.

Overall 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. To investigate the actual effects of the recession, Skillset’s (2010) Creative Media Employer Survey asked employers whether their requirement for permanent employees had increased or decreased over the past 12 months. A fifth (21%) of 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.⁵³

It might be expected that such changes in demand for permanent staff within the industry will have led to an increase in the pool of freelance workers. Skillset’s research again shows a balance between employers experiencing an increase and a decrease, with two in ten (21%) employers in Wales stating that their company’s requirement for freelancers had *increased* over the last 12 months. A further 54% said that their need had not changed in the past 12 months and 25% said that their need had *decreased*.⁵⁴ Looking to the future, 29% of Creative Media employers in Wales believed their company’s requirement for freelancers would *increase* over the next 12 months, 51% believed it would *stay the same* and just 13% thought it would *decrease*.⁵⁵

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%). For 60% of employers in Wales the budget remained unchanged, and 11% have actually seen an increase in it.⁵⁶

However, amongst the 49% of employers in Wales stating that they couldn’t provide more learning or development for staff for a particular reason, by far the most common reason was that ‘the company cannot afford to invest in learning and development’ (mentioned by 76% of employers).⁵⁷ Despite a minority of employers having to reduce

⁵³ Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

⁵⁴ Ibid

⁵⁵ Ibid

⁵⁶ Ibid

⁵⁷ Ibid

their learning and development budget there is clearly more that they would like to be able to do.

Positively, employers in Wales experiencing a skills gap amongst their current workforce were unlikely to attribute this to the recession – just 6% linking the skills gap to ‘the current economic climate/recession’. This was the same proportion as amongst employers in the wider UK Creative Media Industries.⁵⁸

Employers in the qualitative phase of Skillset’s research for this SSA conducted in October 2010 recognised the challenges emanating from a reduced public sector and systems and ways of working that were rapidly becoming outdated (see introduction above). However there was a clear sense of optimism among many employers that the opportunities outweighed the potential pitfalls.⁵⁹

2.4 Recruitment and Retention

Recruitment

Two fifths (45%) of Creative Media employers in Wales have taken on new employees or short-term contracted staff over the past 12 months (slightly lower than the proportion of Creative Media employers across the UK – 49%). Three fifths (58%) had actually taken on freelancers, with 40% taking on employees and just 2% taking on both.⁶⁰

Of those employers in Wales to have recruited in the last 12 months, 35% recruited from other Creative Media Industries and slightly more (38%) recruited from outside of the Industries. This gap is less polarised than amongst Creative Media employers across the UK, where just 28% recruited from other Creative Media Industries compared to the 41% who recruited from outside of the Industries.⁶¹

Approaching half (48%) of Creative Media employers in Wales have recruited direct from education in the last 12 months (compared to 45% across the UK).⁶²

⁵⁸ Ibid

⁵⁹ Focus group with Welsh employers and stakeholders undertaken in October 2010 as part of Skillset’s employer and stakeholder qualitative framework 2010.

⁶⁰ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

⁶¹ Ibid

⁶² Ibid

Most sectors of the industry have long been characterised by an oversupply of potential new entrants keen to enter an area commonly seen as glamorous and exciting. It is estimated that in 2008-09 around 720,000 learners in FE were studying courses relevant to Skillset industries (from here on referred to as 'Skillset relevant courses'⁶³), including 10,100 in Wales⁶⁴, whilst over 757,000 were studying Skillset relevant courses at UK HE institutions, including 36,700 in Wales.⁶⁵ In terms of outcomes, 10% of all Skillset relevant students who have gained employment 6 months after graduating have done so within Skillset industries.⁶⁶

Creative Britain states that "the chance to start a career in the Creative Industries means moving to London, working for free or knowing someone who can get you a foot in the door."⁶⁷ While this statement is borne out in much of the data, specifically what drives many potential entrants across the UK to follow this route is less clear. The oversupply of potential new entrants – a characteristic of many sectors within the Creative Media Industries – may be a central factor. Symptomatic of this oversupply is that a high percentage of new entrants across the UK are undertaking voluntary (unpaid) work as a means of gaining a foothold in the industry: 35% of the Creative Media workforce in Wales had undertaken unpaid work at some time in their career (rising to 45% of the wider UK Creative Media workforce). In some sectors like Content Creation and Independent TV Production the percentage figure is much higher.⁶⁸

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

⁶³ Skillset-relevant courses are those defined through course codes within the HESA Joint Academic Coding system (JACs) and FE 'learning aims' as potentially relevant to Skillset key sectors and the functions and occupations within them.

⁶⁴ 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 which is not in the scope of this SSA. Further information regarding this study can be found in the methodology section.

⁶⁵ 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, 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.

⁶⁶ 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.

⁶⁷ Creative Britain New Talents for the New Economy, Department for Culture Media and Sport (2008)

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

and family' formed the majority of approaches amongst both the Wales and UK Creative Media workforce.

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). Approaching half (48%) of Creative Media employers in Wales have actually recruited direct from education in the last 12 months (compared to 45% across the UK).⁶⁹ However, it should be noted that not all Creative Media sectors are oversupplied. Wales based employers reported that skills shortages exist in occupations like Technical Development, Business Management, Strategic Management and Distribution, Sales & Marketing.⁷⁰ A lack of information on the range of occupational roles may be a contributing factor. Across the Creative Media Industries in Wales, employers report that skills in short supply from new entrants include sales and marketing skills (41% of employers), leadership and management (39%), Welsh language skills (33%) and using sector specific software packages (30%).⁷¹

This despite a marginal increase in the proportion of the UK Creative Media workforce receiving structured careers advice - 29% in 2008 (with 12% receiving advice from Skillset) compared to 28% in 2005 (9% receiving advice from Skillset).⁷² 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 may also be tempting to link this 'lack of information' (coupled with the propensity for informal entry routes and intense competition from other new highly qualified entrants) to low levels of workforce diversity in some sectors of Creative Media in Wales. However, research does suggest that both women and Black, Asian and Minority Ethnic individuals (BAME) within the workforce are more likely than men and white people, respectively, to have undertaken unpaid work.⁷³

⁶⁹ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

⁷⁰ Ibid

⁷¹ Ibid

⁷² Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging, Publishing and Advertising.

⁷³ Ibid

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, or those caring for others or older dependents.⁷⁴ 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 Media Industries and slightly more (38%) recruited from outside of the Industries (across the UK just 28% recruited from other Creative Media 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).⁷⁵

New technology and in particular the new digital context, is also changing the roles of people within the 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. On the agenda will be improving access to high quality but affordable learning and development, for example ensuring that information is clearly available on public funding support for learning and development in the industry in Wales and by developing and supporting the learning and development infrastructure (currently much of the learning and development is concentrated in London and the

⁷⁴ Dedicated research was conducted in this area in the Skillset (2006) Balancing Children and Work in the Creative Media Industries.

⁷⁵ Skillset (2009) Film Sector Employers: Skills and Training Needs in Production, Distribution and Exhibition.

South East of England making travel and accommodation expensive for potential Welsh trainees). Much progress has been made in this respect over the past few years with large-scale investments into training secured by Skillset Cymru and its partners. For example, in the past two years, Skillset Cymru secured £1.9m in funding for the delivery of training schemes for approximately 900 new entrants, freelancers, employers and their employees. This funding was secured from the Welsh Assembly Government, S4C, TAC, the Skillset UK-wide Film Fund and TV Freelance Fund and was targeted at skills priority areas as identified in Skillset's Strategic Skills Assessment for Wales 2009. In addition to this, the Skillset Media Academy Wales secured almost £0.5m from the Higher Education Funding Council for Wales to deliver a raft of courses for new entrants, freelancers and production companies. These programmes have all been informed and led by industry, via Skillset research on skills needs, industry steering groups and panels. BECTU also secured funding for its CULT Cymru scheme to develop Union Learning Reps, develop learning needs analysis and deliver training in generic skills areas for their members.

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% respectively had received learning or development in the past 12 months⁷⁶, whilst 51% of employers provide learning and development for employees but 45% of these employers do not make the learning and development they provide available to freelancers⁷⁷). In addition to difficulties identifying the 'right kinds of courses', the opportunity costs (the lost income) of undertaking learning and development are undoubtedly a factor. In response to this issue a number of interventions including the Skillset Cymru Freelance Fund and the Skillset UK-wide Freelance Bursaries have been set up. This has also been augmented by other initiatives such as CULT Cymru, a project between the five unions in the Creative Industries and funded by the Welsh Assembly Government's Wales Union Learning Fund.

⁷⁶ 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.

⁷⁷ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

2.5 Factors Driving Skills Demand in Wales

The Creative Media Industries in Wales have identified a number of key factors currently driving skills demand in Wales. These are set out below:

- **Growth in Welsh Television Production** – the BBC has committed to doubling TV network production from Wales by 2016. It has also committed to the development of a drama centre at Roath Basin in Cardiff Bay. This will not only provide opportunities for the BBC and the wide range of businesses within its supply chain, but also other businesses within the Creative Media sector. Industry representatives feel that if Wales is to capitalise on this increased throughput, it must develop the production capacity which currently exists. A key component of making this happen will be to demonstrate to commissioning editors that Wales has the strength and depth of talent to originate, develop and deliver multi-million pound commissions;
- The recent government cuts of 24% to S4C's budget over the next 4 years, will hit its programming spend and could lead to several job losses over the next few years. There will be demand for up-skilling the existing workforce and for key talent in business, finance, IP and understanding new markets.
- **Understanding Intellectual Property (IP)** – the Creative Media Industries are undergoing rapid and radical change and at the heart of these businesses is intellectual property. Creative Media companies are struggling to fully understand how to manage digital rights inventory, license revenue streams, and royalty payments efficiently and profitably as the number of media and delivery channels expand.
- **Innovation** – is a major driving force especially the need for diagonal thinking that brings creativity and entrepreneurialism together. Television is learning from how Film Production works for example; and many digital content companies are ahead of established broadcasters in developing multi-platform content, while advertisers are similarly wrestling with the challenges of new digital platforms. The Skillset Cymru Training Framework is currently addressing this issue and will be financing the delivery of training in developing ideas generation in 2011.
- **Globalisation** – Skillset is actively addressing the opportunities for the Creative Media sector around co-production and international markets. Welsh Creative

Media companies operate in a global marketplace and the industry sees this as a great opportunity. Welsh language Film and Television productions can potentially have a global audience, like other foreign language productions have in the UK. The estimated total revenue from the international sale of UK TV programmes and associated activities in 2009 was £1,337m, a 9% increase from £1,227m in 2008.⁷⁸

- **Retaining talent within the industry** – the Creative Media Industries in Wales needs to retain its highly skilled people. Losses from the industry reduce productivity and act as a disincentive to employers to support learning and development. Losses to other sectors, the attraction of London and South East England's Creative Media market, and the recession are a significant threat to retaining Welsh talent.

⁷⁸ UKTI and Pact (2009) UK Television Exports Survey

3. Current Skills Needs

3.1 Introduction

In this section of the report, the current level of skills in the Creative Media sector are profiled before going on to consider evidence on the current skills needs of Welsh employers. The section finishes with an overview of the education infrastructure and supply side interventions which currently exist in Wales.

3.2 Overview of Skills in the Sector

Learning and Development

The Creative Media Industries in Wales are characterised by a highly qualified workforce, with 68% of the workforce in possession of a degree level qualification⁷⁹ (increasing to 74% across the Audio Visual Industries as included in Skillset's 2008 Creative Media Workforce Survey). Media is one of the most popular subject areas, with 45% of graduates holding a degree level qualification in a media-related subject.⁸⁰ Furthermore, three in ten members of the Wales workforce (30%) hold a postgraduate qualification.⁸¹ Relative to the UK, a greater proportion of the Creative Media workforce in Wales is educated to a higher level. Across the UK, 60% have a graduate/level 4 degree⁸² and 25% have a postgraduate qualification⁸³. In the wider Welsh economy just 37% of adults hold level 4 qualifications or above.⁸⁴

⁷⁹ 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.

⁸⁰ Skillset (2008) Creative Media Workforce Survey and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. Excludes Photo Imaging, Publishing and Advertising.

⁸¹ 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. Figures exclude Publishing and Advertising.

⁸² Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS Jul 2009 - Jun 2010. This figure is preferred to using LFS data alone due to the exclusion of many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers (without these sectors 56% of the workforce have a degree or equivalent level 4 qualification as reported in the UK Employment and Skills Almanac 2010).

⁸³ 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. Figures exclude Publishing and Advertising.

⁸⁴ LFS Jul 2009 - Jun 2010.

Approaching three fifths (57%)⁸⁵ of the Welsh Creative Media workforce had participated in learning or development during the preceding 12 months.⁸⁶ Demand for learning and development remains high, with 56% of the workforce indicating that they have a current learning or development requirement.⁸⁷ A recent survey conducted by BECTU via the CULT Cymru project investigated the generic skills needs of freelancers in Wales. It showed that ‘marketing and promoting yourself’ and specifically ‘marketing and promoting yourself on the Internet’ were the most common areas in which individuals expressed an interest in attending courses (around two-thirds of freelancers responding mentioned these types of courses). ‘Presenting and pitching’, ‘portfolio development’ and ‘CV development’ were the next most common areas (all mentioned by more than a third of freelancers). A fifth expressed an interest in a course on Welsh language skills.⁸⁸

Despite employee and freelance demand for learning and development being high the latest evidence suggests that employer’s provision to meet the demand is perhaps not at the same level. In Skillset’s (2010) Creative Media Employer Survey, just 24% of Creative Media employers in Wales have a plan that specifies the type and level of learning and development that their company will invest in over the coming year (this is higher than the 18% of Creative Media employers across the UK). In terms of budget, 18% of Creative Media employers in Wales had to reduce their budget for learning and development over the last year, which is slightly higher than Creative Media employers across the UK (12%). For 60% of employers in Wales the budget remained unchanged, whilst 11% have actually seen an increase in it (compared to 16% across the UK).⁸⁹

Over the last 12 months half (56%) of employers have funded or arranged learning or development for their workforce (compared to 47% across the UK). Unfortunately, of

⁸⁵ 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. Figures exclude Publishing and Advertising.

⁸⁶ This figure corresponds with data from the National Employer Skills Survey 2007 (England) which shows that 59% of staff had received training in the past 12 months. However, this data excludes many of those working in Interactive Media, Content for Computer Games and Facilities.

⁸⁷ 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. Figures exclude Publishing and Advertising.

⁸⁸ Results of 265 Learning Needs Analyses (LNAs) undertaken with freelance members by BECTU, as part of its CULT Cymru programme.

⁸⁹ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

those employers who do provide learning or development, 45% do not extend provision to freelancers.⁹⁰

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%). More than half of employers funded or arranged learning and development delivered through both structured and non-structured support on the job by another member of their workforce (53% and 45% respectively) and books and other printed materials (46%). Interestingly, just 32% of employers had funded or arranged learning and development delivered through internet based/online resources.⁹¹ Employers are looking to the BBC in particular to give a lead in online learning and the lack of appropriate online resources was noted.

Skills Shortages

Despite the potential oversupply of new entrants to the sector, skills gaps and shortages in the Creative Media 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.

Employers highlighted a mismatch of applicants' skills to the needs of the job and tended to prioritise experience in work over academic qualifications.⁹² In fact, a recent survey reveals that half of employers state they do not value formal qualifications.⁹³ This might be attributable to a perception among employers that qualifications do not necessarily make new recruits to the sector 'job ready'.

Across the Creative Media Industries in Wales, employers report that skills in short supply from new entrants include sales and marketing skills (41% of employers), leadership and management (39%), Welsh language skills (33%) and using sector specific software packages (30%).⁹⁴

⁹⁰ Ibid

⁹¹ Ibid

⁹² Skillset's employer and stakeholder qualitative framework 2010

⁹³ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising. 50% of employers reported that they do not value formal qualifications.

⁹⁴ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

Skillset's (2010) Creative Media Employer Survey reports that 13% of employers in the Creative Media Industries in Wales have current vacancies. Of these employers, 43% reported vacancies that are hard to fill (46% across the UK). This equates to 6% of all Creative Media employers in Wales.⁹⁵ These hard to fill vacancies were most frequently based in occupations like Technical Development, Business Management, Strategic Management and Distribution, Sales & Marketing. 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.⁹⁶

In response to these hard to fill vacancies employers in Wales were most commonly using new recruitment methods or channels, or skilling up the existing workforce to take on some of the responsibility.⁹⁷

In the Creative Media Industries in Wales, the most common areas of learning and development provided by employers in the past 12 months are related to using sector specific software packages (50% of employers) and sales and marketing (49%). Other common areas of learning and development provided include technical skills (40%) and business skills (commonly related to compliance and legal issues, 36%). Three in ten employers (31%) specified skills to develop content for multiple platforms and the two areas cited most frequently were the 'design and development of web sites or web applications' and 'online and social media publishing or content distribution'. Just 16% of employers in Wales had provided learning or development relating to Welsh language skills.⁹⁸

Visual Effects (VFX) is dependent on highly specialised technical and artistic skills that are in considerably short supply globally. Visual effects companies have traditionally recruited from all over the world to meet the demand for specialised technical roles, and VFX has been placed on the Home Office shortage occupation list.⁹⁹

⁹⁵ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising. These figures are preferred to using official data sources due to the exclusion of many employers working in Interactive Media, Content for Computer Games and Facilities. In addition the data available from Skillset's research programme is more recent. Future Skills Wales 2005 reported that 11% of Creative Media employers have vacancies. The survey also shows that 11% of establishments reported hard to fill vacancies, and 1% had hard to fill vacancies perceived to be due to skills shortages.

⁹⁶ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

⁹⁷ Ibid

⁹⁸ Ibid

⁹⁹ Skillset worked with UK Screen to submit evidence in response to the consultation informing the Migration Advisory Committee report on limits for Tier 1 and Tier 2 for 2011/12 (Nov 2010). VFX

Commissioned by BIS/DCMS, Minister for Culture, Communications and the Creative Industries, the Livingstone Hope independent review of Games and VFX skills will look to remedy this skills shortage and make the UK into the world's best source of talent for video games development and visual effects production in the world.¹⁰⁰

Ian Livingstone outlined the purpose of the review by stating “we’re going to examine the entire talent pipeline for video games and visual effects, from schools through to HE/FE and industry. It is important that video games and visual effects are seen as great career opportunities. And young people applying for jobs in these industries must have the necessary hard skills. This survey will help us to capture the evidence we need to make a robust case to government for how policy should support these critical sectors.”

Skills Gaps

Over half (58%) of employers in the Creative Media Industries in Wales report a skills gap (significantly higher than the 28% of employers across the UK¹⁰¹). Of these employers 36% reported a skills gap amongst their employees, 8% amongst the freelancers they use and the majority (56%) amongst both employees and freelancers. The occupations in which a skills gap is most likely to exist amongst employees are art and design and strategic management. Art and design is also the most common occupation for a skills gap amongst freelancers, with engineering and transmission the next most common area.¹⁰²

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

occupations are currently included in Tier 2 of occupations open to immigration from non-EU nationals. MAC has recommended that the criteria used to identify skilled occupations be reconsidered and the limits on occupations currently on the shortage list be reviewed.

¹⁰⁰ The Skills Review is led by Ian Livingstone, co-founder of Games Workshop and Life President of Eidos and Alex Hope, co-founder of Double Negative, together with NESTA and Skillset. The findings of the review are due to be published in February 2011.

¹⁰¹ This figure comprises the whole of the Creative Media Industries and is preferred to using National Employer Skills Survey 2009 data due to the exclusion of many of those working in Interactive Media, Content for Computer Games and Facilities (without these sectors 15% of establishments report a skills gap as reported in the UK Employment and Skills Almanac 2010). A total of 35,500 skills gaps were identified most commonly in Administrative and Secretarial and Sales and Customer Service occupations which represents 7% of the workforce (also includes Fashion and Textiles which can not be disaggregated from Creative Media data). Comparable data is not available from official data sources for Creative Media within Wales.

¹⁰² Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

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'.

The skills gaps most commonly reported for employees above were similar to those reported for freelancers. 49% of employers reported a skills gap amongst the freelancers they use specific to sales and marketing, 48% for technical skills (again CGI: 3D/Animation/VFX/Graphic design getting many specific mentions) and 46% using sector specific software packages. A quarter (24%) identify a gap in the Welsh language skills of freelancers.¹⁰³

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.¹⁰⁴

Skills gaps had various effects on the companies experiencing them including delaying the development of new products/services (70% of employers in Wales), causing companies to outsource work they would prefer to keep in-house (60%), increasing operating costs (50%) and the actual loss of business to competitors (45%). However, seven in ten (72%) of employers have taken actions to address the skills gaps they're experiencing. The actions most commonly taken are skilling up the existing workforce (73% of employers) and redefining existing jobs (46%).¹⁰⁵

In general, the sector is characterised by a relatively young workforce, many of whom are new to the Creative Media Industries. This trend is largely positive as it is testament to the attractiveness of the sector to new graduates. However, it does have some implications for the skills base within the industry. Many employers consider the skills gained on-the-job to be the most relevant; however there is recognition that it takes time to embed these practical skills in raw graduates. In addition, the speed at which the sector develops is a contributor to many of the skills shortages across the sector. Where employers do experience a skills shortage or gap, they are often unable to locate suitable learning and development provision which can deliver the required learning and development in a tight timescale.

¹⁰³ Ibid

¹⁰⁴ Ibid

¹⁰⁵ Ibid

3.3 Sectoral Skills Analysis

This section provides an overview of the main skills needs, shortages and gaps within the constituent sectors of the Creative Media Industries in Wales.

3.3.1 Television

Overview

Television is a major sector within the Creative Media Industries in Wales. It comprises Terrestrial Broadcast, Cable and Satellite Television and Independent Production and numbers approximately 100 companies.¹⁰⁶ Current estimates suggest that around 3,500 people are employed in the sector in Wales.¹⁰⁷ The majority of jobs - around 2,500 - are in Independent Production. The sector's trade association, Teledwyr Annibynnol Cymru (TAC), currently represents the interests of around 38 independent producers in Wales and the Producers Alliance for TV and Cinema (PACT) has a total of around 17 Welsh members. The independent sector is made up of mainly small companies providing limited content in specific genres, though some like Tinopolis, Boomerang +, Presentable (part of the RDF group), Rondo, Modern and Green Bay operate across the UK and beyond, and provide regular content for the network and international markets.

An estimated 1,000 people work for Terrestrial Broadcasters in Wales (i.e. across BBC, S4C and ITV).¹⁰⁸ The recent DCMS announcement of a 24% cut over 5 years in S4C's funding and that funding being overseen by the BBC is seen as a major threat to Television diversity in Wales.¹⁰⁹ Few people are thought to work in Cable and Satellite Television in Wales.

In terms of diversity, 46% of the TV workforce in Wales is female; and just 1% are from BAME groups.¹¹⁰ Overall, 31% of the TV sector in Wales works in a freelance capacity (though figures vary from 38% in Independent Production to 15% in Terrestrial Broadcast).¹¹¹ A relatively high proportion of freelancers can have implications on the

¹⁰⁶ Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives. There are some companies within the database for which no postal address is held.

¹⁰⁷ Skillset (2009) Employment Census

¹⁰⁸ Ibid

¹⁰⁹ www.s4c.co.uk/e_press_level2.shtml?id=409

¹¹⁰ Skillset (2009) Employment Census

¹¹¹ Ibid

skills base. Freelancers are generally not able to access affordable learning and development as readily as employees, and as such, are particularly vulnerable to being left behind unless their skills are updated.

Despite the success of *Doctor Who* and other productions, network production output overall remains disproportionately low per capita. Output from Welsh Independent Production formed less than 50 hours of programming for the five UK-wide terrestrial channels in 2007, while the total number of hours sourced from Wales dropped from 119 hours in 2006 to just 99 in 2007.¹¹² However, these figures do not account for the substantial programming produced locally for BBC Wales, ITV Wales and S4C.

A number of factors highlight the growing importance of the TV sector as an employer within the Creative Media Industries in Wales. These include:

- **Increased output from outside of London** – regulatory and other commitments to increase output outside of London include a commitment by the BBC to increase Wales' share of the television network expenditure to 5% by 2016. However, it remains to be seen how much of the 5% will be allocated to non-BBC Wales in-house productions. The effective closure of ITV production commissioning in Wales has seen a decline in both in-house and outsourced productions. Channel 4 has for the first time adopted a target for commissions placed “outside of England” (i.e. not just outside London) and though the initial percentage is small, this is likely to increase in response to further pressure as a public service remit for the channel is specified. In qualitative research conducted by Skillset Cymru in October 2010, the need to establish a bigger base of ongoing production for the independent sector commissioned by the public sector broadcasters was highlighted in order to keep skilled production staff in Wales (at least for more of the time);¹¹³
- **Convergence media** – developments in High Definition, interactive and online television together with professionally produced content has strengthened the sector in the face of pressure from user generated content;
- **Proliferation of digital TV channels** – this is providing an increased range of market opportunities for the Welsh production sector;

¹¹² Pact (2008) Production Trend Out of London

¹¹³ Focus group with Welsh employers and stakeholders undertaken in October 2010 as part of Skillset's employer and stakeholder qualitative framework 2010.

- **The need for established companies to communicate more with new digital content producers** – this is seen as a priority area in order to both compensate for lower commissioning by the public sector but also to embed new multi-platform skills in traditional broadcast outlets.

Skills Requirements

Welsh respondents to the Skillset (2008) Creative Media Workforce Survey most commonly requested learning and development in ‘editing’ (17% of respondents), ‘online, web design, interactive media or computer games’ (13%) and ‘camera’ (13%).¹¹⁴ Approaching two-thirds (64%) of Television employers across the UK actually fund or arrange learning or development for staff.¹¹⁵

Just under a third (32%) of TV employers across the UK report a skills gap within their current workforce, with little variation by sub-sector.¹¹⁶ More than half of these employers highlighted leadership and management and sales and marketing (both 3%) as broad areas in which skills gaps exist amongst employees. Creative talent (40%), skills in using sector specific software packages (32%) and technical skills (32%) were also commonly highlighted as skills gap areas by TV employers. Within the broad category of ‘technical skills’ – editing, TV/video production, camera and sound were the most common specific areas of skills gaps. Amongst freelancers areas of skills gaps are very similar. TV employers most frequently mentioned skills gaps relating to sales and marketing (36%), skills in using sector specific software packages (32%), leadership and management (30%), creative talent (29%) and technical skills (28%). Again camera, sound and editing were the most frequently mentioned types of technical skills.¹¹⁷ Additional skills needs in Wales were identified from a focus group held with key employers and sector stakeholders in October 2010. These skills needs are outlined below:

- **A shortage of leadership and management skills** - within Independent Production companies, resulting in inadequate staff progression from lower to higher levels (for example from Assistant Editor to Producer) – and raising significant concerns regarding the capacity of the “next generation” of sector leaders. Some have argued that the skill shortage relating to leadership and

¹¹⁴ Skillset (2008) Creative Media Workforce Survey

¹¹⁵ Skillset (2010) Creative Media Employer Survey

¹¹⁶ Ibid

¹¹⁷ Ibid

management has resulted in an unhealthy over-reliance on a very small number of senior executives in Independent Production companies. Skillset, S4C and TAC have recognised skills needs in this area and have commissioned learning and development provider Kirkbright¹¹⁸ to deliver two cohorts of high level Leadership and Management development programmes for the leaders and ‘rising stars’ of creative production businesses in Wales; and the Skillset Academi+ Programme is also currently supporting the Leadership for Creative Businesses scheme - a leadership development programme led by Aberystwyth University, uniquely designed for senior executives in Broadcasting, Film and Video, Gaming and Software.

- **A shortage of higher level business skills** - amongst senior executives (e.g. in securing multi strand funding packages and brand sponsorship for commercial TV projects). These skills needs are being addressed however, via various programmes supported by Skillset Cymru including the Kirkbright Creative Business Leaders programme.
- **A shortage of experienced, talented Executive Producers** - with creative content and business skills, and the ability to win network productions. Skillset’s Talent Attraction Scheme, co-funded with Creative Business Wales and established with the backing of the BBC, ITV, Channel 4 and PACT was recently set up to address this issue. To date, two key talents have been appointed under the scheme – at Rondo and Green Bay – and there are early signs of success.
- **A shortage of entrepreneurial skills** (and confidence) - both in terms of those employed at various levels within the industry, and also amongst freelancers, particularly freelancers who may have been forced to take this route as a result of redundancy.
- **A shortage in senior production talent** - across all genres and especially those with a track record and experience to compete more effectively for commissions particularly those with experience of delivering ‘returning series’ productions. Skillset Cymru is hoping to address this shortage and is currently supporting a high level training programme for Series Producers called The Fast Track Scheme, delivered by DV Talent.

¹¹⁸ www.kirkbright.com

- **A shortage of project administration and organisational skills** - especially in archiving, compliance, rights and maintaining editorial standards. Cyfle deliver courses in this area to meet this ongoing need.
- **A shortage of skills in special effects generation** - (which is also a problem in the context of the Film sector) resulting in special effects for both TV and Film productions having to be outsourced to companies outside of Wales. BBC Wales has made huge advancements in this area in recent years developing their own internal special effects talent. This could potentially form the basis of future growth in this area in Wales. Skillset VFX bursaries are available across the UK in an attempt to address this issue.
- **Digital convergence skills** - continues to create development needs. Independent Production companies have highlighted the need for multi-skilled staff with an understanding of multi-platforms. The development of multi-platform capabilities would add value to existing activity within companies and meet ongoing requirements of commissions. Independent companies need to be well placed to take advantage of multi-platform opportunities that are relevant to the changing face of broadcasting and the ways in which consumers' access content. A number of courses have recently been supported in this area in Wales. These include programmes financed by the Skillset Cymru Training Framework and run by Cyfle, including the Multiplatform for TV Creatives Scheme and the Multiplatform Development Scheme;
- **New technologies** - stakeholders further reported that new technologies (such as High Definition and 3D) have also created skills gaps, especially in terms of set design and manufacture and hair and make-up given the added level of detail involved. S4C and TAC together have invested in Cyfle courses in HD. However, stakeholders also reported that camera related and post production skills in relation to the specific requirements of HD were largely being met in Wales.
- **The introduction of YouView next year** - likely to create related skills needs around the production of content for multiple-platforms.¹¹⁹ Channel 4 have already committed several million to developing apps for this platform, but other

¹¹⁹ YouView is a partnership between the BBC, ITV, BT, Channel 4, Five, Arqiva and Talk Talk to develop a common interface for Internet Protocol Television (IPTV) in the UK. To be launched in 2011, YouView will attempt to replicate the success of Freeview for internet television. See www.youview.com

broadcasters should soon follow suit – skills will be in demand for this new platform over and above TV.

- **Capacity of the workforce in Wales** - another concern expressed by some stakeholders was that with increasing levels of repeat commissions (such as *Doctor Who*) being produced in Wales, combined with feature film production (which can 'distort' the market place in Wales for short periods of time) there were on occasion capacity limitations (e.g. in freelance camera operators) resulting in acute, though arguably, short-term skills gaps.
- **Programme formatting skills** - stakeholders also raised concerns that Wales may be lagging behind as a result of skills gaps amongst senior producers in programme formatting skills (linked to the convergence agenda). A PACT masterclass was convened in September 2010 to begin to address this issue. The UK leads the world in TV/Digital global formats, but few formats come from Welsh companies. Most formats will offer as part of their 'bible' a comprehensive multi-platform option including games, merchandising, web and interactivity.
- **Experienced Directors** (TV drama and documentary) - a need for high-level, experienced Directors with multi-cam abilities.
- **Production Managers** - with high level budgeting and researching skills. Again a Cyfle course will be delivered on this area in 2011 and financed by the Skillset Cymru Training Framework.
- **Good quality Researchers** - with strong investigative and journalistic skills. Similarly a course in this area will be delivered in 2011 and financed by the Skillset Cymru Training Framework.
- **Web-based skills** - including Welsh Language skills for the web and CMS and optimisation skills.
- **Other specialist production related skills** - including technicians, riggers, electricians, unit nurses, and line producers as more TV and film productions are due to come to Wales.
- **Advertiser funded programming (AFP) and product placement skills** - with the amendments to the Ofcom broadcasting code (section 9) there will be more opportunities, and demands from broadcasters, to work with brands for both AFP and with the introduction of product placement. As the UK production

sector has never been allowed to work with product placement there is an opportunity to up-skill existing companies in working with brands and understanding the new working practices in this area.

3.3.2 Film

Overview

The Film industry comprises the sub-sectors of Production, Distribution and Exhibition, and is further supported by the Facilities sector which provides services for Film, for example in Post Production. 250 people work in the key sub-sector of Film Production in Wales, which is about 2% of the UK total, and a further 750 people work in Cinema Exhibition.¹²⁰ Only a small number of people work in Film Distribution in Wales.

Indicative findings also suggest that the sector enjoys relatively strong levels of workforce diversity: 46% of the Film Production sub-sector in Wales is female; it also has an above average representation from BAME groups (16%); and around 4% of the Film Production workforce consider themselves to be disabled.¹²¹

It is well known that Wales has played host to a number of high-profile domestic and international film productions over the last decade. Wales has also supplied many world renowned actors and directors.

Overall, such promotion at the international level is thought to provide disproportional economic benefits to Wales from enhanced tourism, exports, inward investment and other sources, as well as a number of less tangible advantages such as improving the international perception of Wales. Very often, however, these productions import the majority of their film crew for location filming and evidence would suggest that very few local crew members in substantive positions are recruited. However, they provide the potential for increased employment opportunities, provided there are suitably trained, experienced and available crew at the time of production in Wales. Films do have a significant ability to promote cultural tourism.

Of equal, if not more, importance is the development of the indigenous Film Production company infrastructure in Wales, with a particular emphasis on the creators of

¹²⁰ Skillset (2009) Employment Census and secondary analysis of unit lists for feature film productions (80 minutes or longer) involving UK based crew that were shot during 2009.

¹²¹ Skillset (2009) Employment Census and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey

intellectual property – the writers, directors and producers, who can provide an increased consistency of generating film productions for the local market and further afield. There has been a marked increase in the number of feature film productions progressing production in recent years. The Film Agency for Wales reported that seven films were in production or post-production in 2009-2010, development funds were awarded to 16 feature films, and production funds awarded to 13 feature films. Supported features included Marc Evans' Welsh and Spanish language, Patagonia; Gabriel Range's documentary Little Matador and his feature, I Am Slave; and the adaptation of Joe Dunthorne's Submarine starring Michael Sheen.

Skills Requirements

At a UK-wide level, the Skillset/UK Film Council (2008) Feature Film Production Workforce Survey shows that 52% of the UK Film Production sub-sector has a learning or development need (48% in Wales). Of these, 19% mentioned they were looking to up-skill on core business skills (including finance, business skills, marketing and management). Interestingly, the percentage of freelancers requesting learning or development in core business skills was much higher than the percentage that had recently received learning or development in this area. Some 16% required learning or development in art/design, 13% in camera, 12% in general computer/administration skills and 8% in technical skills related to editing/post production/digital production/visual effects.¹²²

Four in ten (38%) employers in the Film sector across the UK feel that a skills gap exists amongst their workforce. These employers highlight skills gaps amongst employees in sales and marketing (53%), using sector specific software packages (43%), business skills (41%, around half of whom specifically mentioned business planning/strategy) and leadership and management (39%). Similar skills gap areas were highlighted amongst freelancers with the addition of multi-skilling and developing content for multiple platforms (commonly the design and development of web sites or web applications).¹²³ Further research on skills needs has revealed that current generic skill needs in the Film Production sub-sector include:¹²⁴

¹²² Skillset (2008) Creative Media Workforce Survey and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

¹²³ Skillset (2010) Creative Media Employer Survey.

¹²⁴ Skillset (2009) Film Sector Employers Skills and Training Needs in Production, Distribution and Exhibition

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

Moreover, current specialist skills needs include:¹²⁵

- Producers and company directors relating to their leadership and management skills, company capacity building abilities, marketing and commercial skills (particularly with fast evolving business and distribution models);
- Shortage of production accountants;
- Line Producers;
- Post Production Supervisors – with a particular emphasis on ensuring they are up-to-date with latest digital production and Post Production methods, workflow and delivery requirements;
- Development executives and long-form writers particularly through the medium of Welsh;
- Location Managers with up to date knowledge of legal developments;
- Cinema Exhibitors and Programmers with skills in relation to the latest D-Cinema technology and related marketing and programming implications;
- Outreach and standardisation of learning and development for Education Officers.

Skillset's 2010 Creative Media Employer Survey also asked employers to identify any potential future skills gaps. Interestingly Film employers across the UK predicted that there would be gaps in a wide variety of broad skills areas: leadership and management (40%), sales and marketing (30%), finance (30%) and skills to develop content for multiple platforms (28%, within which the most common future skills gap mentioned related to digital broadcasting and digital projection). This and other evidence anticipates that future skill needs within Film will involve developments in new digital technologies.¹²⁶ 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. Industry also noted the need to:

- **Keep up to date in camera and digital post technology;**

¹²⁵ Ibid

¹²⁶ Skillset's Creative Media Employer Survey (2010). Excludes Advertising.

- **Ensure high level data management skills** – particularly in relation to the logistics of tracking master materials in digital format;
- **Ensure sufficient availability of construction and lighting crew** – as a result of the Olympic Games in 2012 being likely to take up much of this capacity;
- **Improve some creative skills** – script development and long-form writing;
- **Increase the scale of Film Production in Wales** – in order to expand the capacity to develop new talent;
- **Develop the business skills of senior executives** – to achieve a step change in the business skills of senior executives involved in the Film industry in Wales particularly in the building of sustainable Film focused companies, feature development skills, fundraising, marketing, distribution and sales aspects of the Film industry. It was noted that the Skillset Media Academy Wales and Film Agency for Wales' 'Film Junction Scheme' went some way to address these issues in 2010.
- **Develop transferrable skills between TV and Film** – to build on the momentum of increased drama production in Wales by ensuring an increasing level of transferrable skills between TV and Film. Informants highlighted the need for more of those working in TV in Wales to gain experience within the Film Production sub-sector in order to increase capacity and expertise across a whole range of job occupations. It must be noted, however, that there can be challenges created for Film when there is a particularly strong Television sector – as the regular and well paid television work is attractive; and it can be difficult to establish a Film career (in addition) before gaining specific feature credits/experience, which often requires an initial step-down in grade. It is therefore a longer term view and not a given that a strong Television sector will automatically lead to a strong Film sector;
- **Special effects** – develop an increased specialism and capacity in special effects in Wales to service both TV and feature film productions;
- **Collaborate with Higher Education** – continue to closely align the vocational skills needs of the industry with that supplied by the Higher and Further Education system through initiatives such as the joint Skillset Media Academy Wales and Film Agency for Wales' 'Film Junction scheme' to develop Producers.

3.3.3 Radio

Overview

The Radio sector comprises three broad sub-sectors – publicly funded Radio, Commercial Radio and Community/Voluntary Radio, and employs people across Wales in approximately 50 enterprises¹²⁷ which range from very large corporations such as the BBC to small, not-for-profit Community Radio stations.

The BBC provides two national services for Wales, Radio Wales in English and Radio Cymru in the Welsh language. The two BBC national stations have the highest reach, accounting for almost two-thirds (62.9%) of all radio listening in Wales in Q1 of 2009.¹²⁸

There are 18 local and regional Commercial Radio stations – the two main groups being Global and Town and Country Broadcasting, which hold 29% and 36% of the licenses respectively.¹²⁹ Several local radio stations (e.g. Real Radio and Town and Country Broadcasting) are coming under increasing commercial pressures. These pressures have meant in some cases cutting down on operating costs, which in turn has meant less local content and more music. One stakeholder argued that this means it is becoming increasingly difficult to distinguish between stations. Red Dragon FM, however, has bucked this trend and has increased spend in the last 12 months, and now produces programmes from Cardiff Bay with no network input.

There has been significant growth in Community Radio in Wales, with eight community stations on air in 2008 (six in south Wales, two in north Wales).¹³⁰ These stations broadcast over very tightly defined areas and depend on locally focused volunteer input rather than professional staff.

Although the UK Radio sector is concentrated in London the effect of regional Commercial and Community Radio stations means that the sector shows higher levels of dispersion than other Creative Media sectors. Around 750 people – 4% of the UK total – work within the sector in Wales.¹³¹ This estimate represents a fall of around a

¹²⁷ Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives. There are some companies within the database for which no postal address is held.

¹²⁸ OFCOM (2008) The Communications Market: Radio

¹²⁹ OFCOM (2009) The Communications Market Report, Nations and Regions, Wales

¹³⁰ Ibid

¹³¹ Skillset (2009) Employment Census

quarter since 2006.¹³² One in ten (9%) of the Welsh Radio workforce was estimated to be freelance (compared to 23% across the UK as a whole).¹³³

The sector's employment profile shows that 53% of the workforce is female (compared with 44% across the UK) and 2% are from Black, Asian and Minority Ethnic (BAME) groups (compared with 7% across the UK).¹³⁴

Key developments and trends in the UK Radio market likely to affect the sector in Wales include:

- RAJAR (Radio Joint Audience Research Ltd) figures released for the first quarter of 2010, show that **radio listening is at an all time high**, with the number of listeners tuning into a Commercial Radio service increasing to over 32 million weekly listeners - the highest figure since 2002. Commercial Radio's weekly reach has increased quarter on quarter and year on year by almost 0.8m and 0.7m listeners respectively, with both national and local commercial radio recording gains in the number of listeners tuning in;
- **Increased competition:** across the UK with 9% more stations in the UK in 2008 than 2003;¹³⁵
- **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 2015.¹³⁶ Three in ten (30%) UK households were thought to have DAB Digital radio in 2008 compared to 2% in 2003.¹³⁷ In Wales 27% of people own a DAB digital radio but this varies from 53% in Cardiff to only 9% in rural mid Wales;¹³⁸
- **Increased demand for multi-platform output and content:** A third of adults had listened to radio online, according to the RAJAR internet and audio services survey carried out in May 2009. This was up from 29% a year earlier and 24% 18 months previously.

¹³² Skillset (2006) Employment Census estimated that 1,000 people worked in the Radio sector in Wales

¹³³ Skillset (2009) Employment Census.

¹³⁴ Ibid

¹³⁵ OFCOM (2008) The Communications Market: Radio

¹³⁶ Ibid

¹³⁷ Ibid

¹³⁸ OFCOM (2009) The Communications Market Report, Nations and Regions, Wales

Skills Requirements

At a UK-wide level, Skillset's (2008) Creative Media Workforce Survey revealed that 5% of those working in the wider 'Broadcast, Facilities, Animation, Interactive Media and Computer Games' sector said that they had received learning or development in the previous 12 months and that this was in 'Radio Broadcasting'. Overall, 51% of the UK Radio workforce had unmet learning or development needs.¹³⁹

Three in ten (32%) employers in the Radio sector across the UK feel that a skills gap exists amongst their workforce. These employers stated that skills gaps amongst employees were most likely to relate to sales and marketing (60%), leadership and management (50%), finance (40%) and business skills (35%). Similar skills gap areas were highlighted amongst freelancers.¹⁴⁰

Skills requirements identified by the Radio industry at a UK-wide level include:

- **Excellent technological skills** - in order to maintain a competitive advantage in the context of changing listening patterns and the way in which people access radio (e.g. on-line);
- **Understanding of compliance** - especially in relation to issues of slander, taste, decency and deception. Stakeholders pointed to the "Russell Brand/Jonathan Ross" incident as a "big turning point", placing a duty upon broadcasters to ensure that they maintain editorial standards, and have a good understanding for "where the boundaries lie";
- **Research skills** - the need to continually improve research skills and to develop researchers with strong investigative and journalistic skills;
- **Social enterprise and community development skills** - a specific need in the context of Community Radio;
- **Radio marketing and sales skills** - a need for more specialist and sophisticated marketing and sales skills in an increasingly competitive Commercial Radio market place;
- **Greater multimedia skills development** - need for greater multimedia skills development including the production of online content, and how to make best

¹³⁹ Skillset (2008) Creative Media Workforce Survey.

¹⁴⁰ Skillset (2010) Creative Media Employer Survey.

use of social networking tools to enhance radio stations' traditional broadcast output in Wales;

- **Archiving skills**¹⁴¹ - an emerging skills need for archiving skills to help deal with the management of digital files to ensure protocols are followed and to optimise the use of all digital content.

3.3.4 Animation

Overview

The UK has a significant position in the growing global Animation market and is a world leader in the production of visual effects for TV and Commercials. In Wales, the Animation sector is seen as a particular strength. Historically, commissioning from S4C has been a key driver but today other sources including non-Welsh sourced finance support much of the sector's activity.

The sector employs around 400 people in Wales, roughly the same as 2006,¹⁴² in a small number of companies (less than 25).¹⁴³ In 2009, 53% of the sector was estimated to be freelance.¹⁴⁴ In terms of employment profile, women comprise 32% of the Animation workforce in Wales, above the wider Wales Creative Media average (29%), but below the 48% figure for the Welsh economy as whole.¹⁴⁵ Representation from Black, Asian and Minority Ethnic (BAME) groups stands at 3%, in line with the average for the Welsh economy.¹⁴⁶

Entry to the Animation sector in Wales is supported by courses at undergraduate level including Skillset accredited courses at the Universities of Newport and Glamorgan. High level specialist Animation new entrant learning and development has also in the past been provided by Cyfle.

¹⁴¹ Archiving falls within the broader category of 'Asset Management' and also includes indexing and tasks relating to the management/storage/retrieval of multi-media or digital assets.

¹⁴² Skillset (2009) Employment Census and Skillset (2006) Employment Census

¹⁴³ Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives. There are some companies within the database for which no postal address is held.

¹⁴⁴ Ibid

¹⁴⁵ Skillset (2009) Employment Census and Labour Force Survey, ONS July 2009 – June 2010.

¹⁴⁶ Ibid

The sector's reliance on other Creative Media Industries such as Television, VFX and Games¹⁴⁷, means it is susceptible to changes in those Industries.

There have recently been significant developments within the VFX sector in Wales. The opening of Dinamo's Treforest Studios in September 2010 will hopefully facilitate further growth in the sector by increasing the amount of animation produced in Wales and will benefit from strong links to Skillset Media Academy Wales.

The sector could further benefit from similar growth within the Content for Computer Games sector. Games companies tend to be more decentred as they are less reliant on metropolitan centres than other Creative Media sectors. This has given rise to significant clusters around Guildford, Dundee, Cambridge and Brighton. Given the existence of established games HE courses in the main challenge seems to be one of stemming human capital flight through incubation and seed support.

Furthermore, the sector is seeing competition from low cost but increasingly highly quality producing international competitors from countries such as China, Korea and Singapore and from tax-friendly regimes in other countries, notably Canada.¹⁴⁸

Skills Requirements

Rapidly developing technology will continue to increase demand for extensive technical skills including software development and applications, digital technology and broadcasting processes and computer generated processes. Skillset's (2008) Workforce Survey states that 2% of the combined 'Broadcast, Facilities, Animation, Interactive Media and Computer Games sector' in Wales (that had received learning or development) had received it in 'Animation' over the past 12 months.¹⁴⁹ Some 11% stated that they needed learning or development in 'Animation'.¹⁵⁰

Three in ten (30%) employers in the Animation sector across the UK feel that a skills gap exists amongst their workforce. These employers highlight skills gaps amongst employees in a broad range of areas but most commonly in technical skills, particularly computer/software usage and CGI: 3D/Animation/VFX/Graphic design (53%), using sector specific software packages (45%), sales and marketing (40%) and skills for developing content for multiple platforms (39%). Skills gap areas amongst freelancers

¹⁴⁷ Skillset has contributed to the BIS/DCMS commissioned NESTA review of skills in Games and VFX chaired by Ian Livingstone and Alex Hope. Due to be published on 1st February 2011 the review will provide a comprehensive overview of current skills issues and policy recommendations for these sectors.

¹⁴⁸ <http://news.bbc.co.uk/1/hi/entertainment/8225954.stm>

¹⁴⁹ Skillset (2008) Creative Media Workforce Survey.

¹⁵⁰ Ibid

most commonly related to multi-skilling, developing content for multiple platforms, creative talent and technical skills.¹⁵¹

Across the UK, a profile of the Animation sector highlights a “*shortage of people with industry relevant IT and drawing skills, particularly storyboard artists*”. We are also on the edge of huge demand for Stereo 3D skills (although these are of a different order and type to Film Cinematographic Stereo 3D skills, since the 3D can be applied retrospectively to any CGI file). Also skills in Nuke software are in demand.¹⁵² Skillset have recently identified these as priority needs and have offered bursaries for courses in Nuke, Maya and 3D skills run through Escape Studios, and are supporting Nuke and Maya CPD.

This is all giving rise to demands for a highly skilled, specialist but flexible workforce. Increased outsourcing is also likely to reduce the demand for animators and increase the demand for pre-production artists, producers and technical directors. The need for technical skills such as software development and core business skills such as client liaison e.g. working with clients to develop briefs, financial management and marketing are also likely to continue to grow, especially as Television commissions for higher cost productions are being constrained by ever tighter budgets.¹⁵³

3.3.5 Content for Computer Games

Overview

The Content for Computer Games sector in Wales is estimated to employ around 50 people, less than 1% of the UK total for this sector.¹⁵⁴ Due to rounding and freelancers who ‘dip in and out’ of the sector but were unemployed at the time of the survey, this figure may somewhat understate the sector’s true size in Wales. However, the estimate does suggest a fall in employment numbers since 2006.¹⁵⁵ 16% of the sector was estimated to be freelance at the time of the survey in 2009.¹⁵⁶

¹⁵¹ Skillset (2010) Creative Media Employer Survey.

¹⁵² Skillset’s employer and stakeholder qualitative framework 2010

¹⁵³ Skillset (2009) Employment Census; <http://www.otakunews.com/article.php?story=1548>

¹⁵⁴ Skillset (2009) Employment Census

¹⁵⁵ Skillset (2006) Employment Census estimated that 100 people worked in the Content for Computer Games sector in Wales

¹⁵⁶ Skillset (2009) Employment Census

The Content for Computer Games sector in Wales is ably supported by a growing number of courses offered at Further and Higher Education level and cross over links with the Animation sector.

However, the sector displays low levels of diversity: 5% of the workforce is female (as is 6% of the Content for Computer Games sector across the UK)¹⁵⁷ compared to 29% of the wider Creative Media Industries in Wales and 48% for the Welsh economy as whole.¹⁵⁸ There is negligible representation from BAME groups which again is below the UK average for the sector of 6%.¹⁵⁹ Historically the workforce has also tended to be relatively young.¹⁶⁰

Increasing competition from (often tax-relief incentivised) international competitors together with the increasingly low cost of entry places significant pressure on the sector. Monetising the rapidly proliferating mobile and MMO (Massive Multi User Online) area of the market is a challenge with limited access to finance and skill shortages having been identified as key barriers to sectoral growth.¹⁶¹ The sector is currently lobbying hard for the reintroduction of a tax break, promised by the last government but recently a seeming casualty of the Coalition's deficit reduction plan. There have been stories of talent flight primarily to Canada, (the UK Industry's main rival, overtaking the UK in the world rankings last year) which can afford to pay higher wages to people in the sector due to the beneficial tax regime enjoyed by the industry there and elsewhere.

Skills Requirements

Three in ten (30%) employers in the Content for Computer Games sector across the UK feel that a skills gap exists amongst their workforce. These employers highlight skills gaps amongst employees in more generic areas such as leadership and

¹⁵⁷ Skillset (2009) Employment Census

¹⁵⁸ 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. All Welsh economy - Labour Force Survey, ONS July 2009 – June 2010.

¹⁵⁹ Skillset (2009) Employment Census

¹⁶⁰ Skillset (2008) Creative Media Workforce Survey

¹⁶¹ 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*

management, sales and marketing and finance. Skills gap areas amongst freelancers were very similar, with the addition of multi-skilling.¹⁶²

The proportion of graduates in the UK developer population is slowly increasing. However, only 18% of games specific graduates in 2007 succeeded in gaining jobs in the industry.¹⁶³ However, the predicted gradual decline in UK Content for Computer Games development staff numbers over the next five years is expected to reduce the intensity of the skills shortage.

Competitive Welsh companies in the sector will be seeking to recruit and/or develop a mix of very high level skills, particularly in programming and computer science, as well as more creative skills in games art and animation. Commercial skills particularly in relation to negotiation, intellectual property generation and exploitation, and online 'freemium' distribution are also in demand, together with more traditional business skills such as those associated with managing and leading technical teams. Nesta also notes that there are currently too few indigenous UK publishers of global scale, and see this as an area for future focus.¹⁶⁴

As mentioned earlier in this report, the Livingstone Hope independent review of the Computer Games and VFX Industries is a current debate of great importance to the Computer Games sector.¹⁶⁵

3.3.6 Facilities

Overview

The Facilities sector provides specialised technical equipment and services to many other Creative Media sectors in Wales. Key sub-sectors 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. The size of the sector in Wales is relatively small, reflecting relatively low levels of production across the nation. Overall UK-wide estimates point

¹⁶² Skillset (2010) Creative Media Employer Survey.

¹⁶³ Nesta 2008 Raise the Game: The competitiveness of the UK's games development sector and the impact of governmental support in other countries.

¹⁶⁴ Ibid

¹⁶⁵ Skillset has contributed to the BIS/DCMS commissioned NESTA review of skills in Games and VFX chaired by Ian Livingstone and Alex Hope. Due to be published on 1st February 2011 the review will provide a comprehensive overview of current skills issues and policy recommendations for these sectors.

to a workforce of around 43,000 people. Less than 2% (around 700) work in Wales¹⁶⁶ in approximately 100 companies.¹⁶⁷ More than a third of the sector's workforce in Wales is freelance (36%)¹⁶⁸ though this falls to less than one in six in Post Production. Two thirds (68%) of the Welsh Facilities workforce can be found in the broadly defined 'Other Services for Film and Television' sub-sector. All remaining jobs are in Post Production (13%), Studio and Equipment Hire (17%) and Outside Broadcast (1%).¹⁶⁹

In practice the sector is strongly London-centric; the supportive role of the sector means that Facilities companies will cluster around the main markets they serve. BBC Wales is by far the biggest Facilities provider across Wales but there are also several independent Facilities companies which provide significant support services to the Welsh TV and Film Industries.

Demand for Facilities is driven by demand from productions. With Television production in Wales expected to grow over the next two years and the BBC's commitment to increase Wales' share of the Television network expenditure to 5% by 2016, the need for Facilities and skilled Post Production staff and freelancers is likely to grow. For example, the learning and development needs of the Facilities sector will be greatly affected by the development of BBC Wales' new Drama Village in Roath Basin, Cardiff Bay. An increase in indigenous Welsh companies winning new network contracts will fuel demand for editing skills at the highest level.

Skills Requirements

Three in ten (31%) employers in the Facilities sector across the UK feel that a skills gap exists amongst their workforce. These employers highlight skills gaps amongst employees in sales and marketing (51%), leadership and management (49%), multi-skilling (42%), business skills (40%, most commonly business planning/strategy) and technical skills (38%). Amongst freelancers, multi-skilling (43%), using sector specific software packages (41%) and technical skills (36%) were the most common skills gap areas.¹⁷⁰

¹⁶⁶ Skillset (2009) Employment Census

¹⁶⁷ Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives. There are some companies within the database for which no postal address is held.

¹⁶⁸ Skillset (2009) Employment Census

¹⁶⁹ Ibid

¹⁷⁰ Skillset (2010) Creative Media Employer Survey

Skillset's Facilities Sector Skills Strategy of 2008 suggests that skills issues and concerns in Facilities can be summarised as follows at a UK-wide level:

- **Technological changes** - the change to high definition and from video tape to networked media means retraining costs and many other challenges;
- **Lack of engineering skills** - in manufacture and broadcast the average age of an engineer is over 50. Engineering roles in automotive and construction are frequently better paid and more attractive for graduates. Broadcast engineering courses have also proved unpopular with students in recent years, which has also not helped to address this skills gap;
- **New entrants poorly adapted to the workplace** - as well as new entrants showing a lack of basic skills such as numeracy and literacy, employers have cited a mismatch between what newcomers have learnt and the reality of the industry;
- **Lack of business management and innovation skills** - managers themselves admit to reluctance to invest in their own skills, as well as those of their staff. When learning or development does take place it is for the most part spent on software and equipment updates, rather than on personal professional development;
- **Special Effects** - the need to gain a stronger foothold in the Special Effects market is essential. This is a weakness in the current Welsh Creative Media sector, resulting in missed commercial opportunities presented by increased production output;
- **Inadequate skills amongst new entrants** - employers reported that graduate new entrants in particular lacked basic computer, visual effects and specific software skills, people/team working skills and a lack of basic understanding of techniques, processes and the industry as a whole;
- **Junior Engineers;**
- **Edit Assistants;**
- **DVD Quality Controllers, DVD Authors and DVD Producers;**
- **Receptionists.**

It needs to be remembered that the Facilities industry, whilst fragmented has a commonality around the need for client facing skills as much as technology. The Post Production sub-sector in particular complains of the shortage of can-do attitude,

customer skills and awareness of team responsibilities within recent graduates. There is a prevalent feeling that FE and HE are not giving students the hard truths about the importance of progressing from being a runner or an assistant, but are rather asserting the idea that students will go straight into more 'creative' roles such as editing or camera.

As mentioned earlier in this report, the Livingstone Hope independent review of the Computer Games and VFX Industries is a current debate of great importance to the VFX sub-sector.¹⁷¹

3.3.7 Interactive Media

Overview

The Interactive Media industry is a very fluid sector with many overlaps and blurred distinctions between other sectors. In particular, as Interactive Media products become more sophisticated, their development increasingly has greater overlap with the software and IT sector. As convergence gathers pace, the boundaries between Interactive Media and other forms of digital media become yet more blurred - particularly as Television broadcasters look to multi-platform, '360 degree' commissioning models.

The Interactive Media sector covers a range of specialist companies and jobs including the design and development of web sites and web applications, online content, offline multimedia experiences, mobile applications and content and interactive television. The sector fulfils a key support function in the wider Creative Media Industries as well as other industries in Wales. A definition of the sector is difficult not only because of the pace of change, but also because there are many companies and individuals involved in Interactive Media who more accurately fit within other sectors. In many ways it is not so much a sector as a discipline, as its creation and use is increasingly becoming part of everyday activity across all sectors of industry in general.¹⁷²

¹⁷¹ Skillset has contributed to the BIS/DCMS commissioned NESTA review of skills in Games and VFX chaired by Ian Livingstone and Alex Hope. Due to be published on 1st February 2011 the review will provide a comprehensive overview of current skills issues and policy recommendations for these sectors.

¹⁷² www.skillset.org/interactive/industry

Estimates suggest a sizeable sector in Wales: about 3,850 people work in the Interactive Media sector in Wales, 11% of the total UK workforce.¹⁷³ These individuals work within approximately 300 companies located in Wales.¹⁷⁴

Three in every four Welsh jobs in the sector relate to 'Online Content'. In terms of employment profile, the sector in Wales is characterised by relatively low levels of freelance working (7% of the workforce) and extremely low levels of female participation (just 2% of the workforce).¹⁷⁵ Black, Asian and Minority Ethnic (BAME) groups comprise a below average 1% of the Interactive Media workforce in Wales.¹⁷⁶ Like the Content for Computer Games sector, the Interactive Media's workforce is also highly educated. Nine in ten (88%) has an undergraduate or postgraduate degree or diploma (the highest amongst all Creative Media sectors).¹⁷⁷

Skills Requirements

The 'Interactive Media skill set' has a far wider application than just Interactive Media. Anyone outside the sector who contributes content or uses Interactive Media as part of their work will need at least some of its skills. But in addition, the skill set is likely to have value across many sectors, if not the whole of industry.

In particular, the combination of creative and logical thinking necessary to perform many of the cross-disciplinary functions needed in Interactive Media potentially makes for a valuable foundation for any job in the knowledge economy.

The industry needs rich combinations of 'hybrid' skills, as well as a broader cross-disciplinary awareness. Finding people with the right mix of skills can be difficult - particularly the combination of creative and technical thinking, and a solid foundation of transferable life and work skills. While individuals with deep, specific skills (such as graphic designers or programmers) are relatively easy to find, those with the hybrid or combinations of skills needed by the industry are not. An absence of cross-disciplinary awareness and understanding of role context is particularly significant.

¹⁷³ Skillset (2009) Employment Census

¹⁷⁴ Skillset 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). All figures have been verified with sector representatives. There are some companies within the database for which no postal address is held.

¹⁷⁵ Skillset (2009) Employment Census

¹⁷⁶ Ibid

¹⁷⁷ Skillset (2008) Creative Media Workforce Survey

Demand for ever increasing levels of skill will require ongoing updating and acquisition of skills by individuals both updating in the latest technology or software and skills in research, information organization and self-education.

Leadership and management skills including project and business planning will become even more important, as outsourcing, collaboration, distributed project teams and use of freelancers becomes more prevalent. 'Project Leader' will be an important job profile, requiring an all-round skill set encompassing business, content, design and technical competencies.

13% of the Welsh workforce in the 'Broadcast, Facilities, Animation, Interactive Media and Computer Games' sectors stated a need for learning or development in 'online, web design, interactive media or computer games'.¹⁷⁸ UK-wide data suggests that amongst the Web and Internet sub-sector the most common areas of learning and development received are on-line/web design/interactive media/electronic games (29%), specific software applications (19%) and legal (18%).¹⁷⁹ In other Interactive Media sub-sectors as a whole, 25% of those trained in 2007/08 received learning or development in specific software applications. Regulatory/compliance training in 'ethics/safeguarding trust' (25%) and 'health and safety' (23%) were also relatively common.¹⁸⁰

Over half (55%) of the Interactive Media workforce in the UK cited a learning or development need in 2008, which was lower than in 2005 (70%).¹⁸¹ The most commonly cited subjects of learning or development were on-line/web design/interactive media/electronic games (27%), specific software applications (22%) and business skills (17%)¹⁸².

Three in ten (29%) employers in the Interactive Media sector across the UK feel that a skills gap exists amongst their workforce. These employers highlight skills gaps amongst employees that relate to sales and marketing (55%), technical skills (44%, half of which specifically mention computer programming), leadership and management (43%), business skills (32%) and using sector specific software packages (31%). Amongst freelancers, technical skills (40%, again half of which specifically

¹⁷⁸ *ibid*

¹⁷⁹ *Ibid*

¹⁸⁰ *Ibid*

¹⁸¹ Skillset (2008) Creative Media Workforce Survey and Skillset (2005) Survey of the Audio Visual Industries' Workforce

¹⁸² Skillset (2008) Creative Media Workforce Survey

mention computer programming) and using sector specific software packages (30%) were the most common skills gap areas.¹⁸³

3.3.8 Photo Imaging

Overview

The Photo Imaging sector encompasses four main sub-sectors: Photographers; Image Producers and Photo Retailers; Picture Libraries and Agencies; and Manufacturing and Support Services. There are an estimated 200 companies within the sector located in Wales.¹⁸⁴ The sector is characterised by micro-businesses – 91% of businesses across the UK have 1-4 staff.¹⁸⁵ The most recent employment estimate for Wales is that about 1,800 people are employed in the sector.¹⁸⁶ The small size of most Photo Imaging businesses in Wales means that recruitment to the sector is limited. Research undertaken by Skillset in 2010 showed that 26% of Photo Imaging businesses had recruited over the previous 12 months, the lowest amongst all Creative Media sectors.¹⁸⁷

Evidence suggests that the Photo Imaging workforce in Wales:¹⁸⁸

- Is heavily reliant on freelance working (54% of the sector);
- Only three in ten are female (dropping to just one fifth in the Photography sub-sector);
- Has an above average representation of BAME groups (6% of workforce);
- Has a relatively aged workforce (34% aged over 50 years).

Copyright

Copyright legislation is frequently misunderstood and abused with severe consequences for photographers' earnings. In general under UK copyright legislation, any freelance photographer is the default copyright owner of any photograph they take. However, many of those who commission photographers assume that they

¹⁸³ Skillset (2010) Creative Media Employer Survey

¹⁸⁴ IDBR 2009

¹⁸⁵ Ibid

¹⁸⁶ Labour Force Survey Jul 2009 - Jun 2010

¹⁸⁷ Skillset (2010) Creative Media Employer Survey

¹⁸⁸ Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest

automatically own copyright by the act of commissioning a photographer. Recent evidence for the UK as a whole produced by the British Photographic Council reports that 59% of photographers are aware of copyright infringement of their work in the last three years at an average market value cost of £3,605 per photographer. Failure of photographers to protect their copyright can have a significant effect on an individual's earning power, meaning that on average they earn a third less than photographers that do protect their copyright. Even so, 70% of photographers did not pursue copyright infringements with the difficulty of the legal process cited as the main reason. This was supported by 82% of photographers who stated that quicker and easier copyright would benefit their business.¹⁸⁹

Skills Requirements

Around a quarter (24%) of employers in the Photo Imaging sector across the UK feel that a skills gap exists amongst their workforce, the lowest of all Creative Media sectors. These employers highlight skills gaps amongst employees that relate to sales and marketing (72%), using sector specific software packages (58%), technical skills (46%, commonly computer programming and usage), leadership and management (37%), business skills (36%, commonly commercial awareness and business planning/strategy) and multi-skilling (35%). Amongst freelancers, using sector specific software packages (60%), technical skills (42%, many of which specifically relate to camera and photography skills) and sales and marketing (41%) were the most common skills gap areas.¹⁹⁰

On a UK-wide level, the Skillset (2007) Photo Imaging Workforce Survey shows that 26% of the workforce had received learning or development in the last 12 months in relation to 'customer service and other retail' and 'exhibition, display and large format'. 'Specialist software' (23%), 'business skills' (21%) and 'marketing' (18%) were also identified. The same survey also revealed that 57% of the workforce had identified a future learning or development need. Of those, 60% stated a need for 'specialist software learning or development', mirroring the current view from employers. The next most frequently identified were 'business skills' (15%) and 'minilab and printing skills' (13%).¹⁹¹

¹⁸⁹ 'Industry Survey of Photographers', British Photographic Council 2010.

¹⁹⁰ Skillset (2010) Creative Media Employer Survey

¹⁹¹ Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest

Across the industry as a whole, the most significant specialist skills gaps continue to be around the use of digital technology, knowledge of digital workflow and management of digital assets.¹⁹² In meeting these skills gaps the sector is likely to draw heavily upon informal approaches to learning and development - including on the job mentoring and in-house learning and development.¹⁹³

With a high level of freelancers, there is an urgent need to focus on learning and development in general business skills including management, marketing and financial skills whilst specific business skills such as IPR will continue to be a requirement.

In terms of key business challenges facing the Photo Imaging sector in Wales, evidence suggests that the following are important skills priorities for the sector:¹⁹⁴

- The pace of change of new technology;
- Improving marketing and services to existing customers;
- Monetising IP;
- Finding and keeping new customers;
- Finding niche markets;
- Keeping themselves/their workforce up to date with new developments in technology.

3.3.9 Publishing

Overview

The Publishing sector includes book and newspaper publishing, journals and periodicals, news agencies, publishing of directories and mailing lists and other services and activities.

It is estimated that 3,300 people in Wales work in the Publishing sector, 2% of the UK total¹⁹⁵, and they are employed within approximately 300 companies¹⁹⁶. If UK data proves indicative, we might expect relatively low levels of freelance working; 13% of the

¹⁹² Skillset (2008) Profile of the Photo Imaging Sector

¹⁹³ Ibid

¹⁹⁴ Skillset (2009) Photo Imaging Labour Market Intelligence Digest

¹⁹⁵ Labour Force Survey Jul 2009 - Jun 2010

¹⁹⁶ IDBR 2009

Publishing sector is freelance and this falls to 5% amongst the Newspaper Publishing sub-sector.¹⁹⁷ In terms of diversity the Publishing sector compares favourably with many other Creative Media sectors. Approaching half (46%) of the workforce are female, 5% are BAME, 11% are disabled and 67% are aged 35 and over.

Across the UK the Magazine and Newspaper Publishing sub-sectors have undergone major structural changes. This has been driven by both the recession and a longer term movement away from the traditional advertising revenue model to more online content. The result has been fewer titles and jobs - particularly freelance - and the loss of some functions such as sub-editing. The migration to online content is however being hindered by a number of commercial challenges including how to monetize online content, ownership of content issues, and inertia amongst some socio economic groups to access content online.¹⁹⁸ Centralisation and downsizing also means that an increasing number of journalists are losing their jobs or are becoming freelancers.

In Wales, indicative findings point to a sector characterised by:¹⁹⁹

- **A stable but small industry of small independent publishers** - Book Publishing is concentrated in North and Mid Wales, while Newspaper Publishing is concentrated in the South;
- **Diversity in production** - it is common for example for companies to include both printing and Publishing activities;
- **Competition from English publishers** - but benefiting from the niche marketing of Welsh language publications;
- **Increased pressure for e-options** - online book sales, for example, are strong and growing. Online publishing activity is mostly limited to online advertising but there has been slow development towards producing e-products. Publisher, *Y Lolfa*, have recently been producing e-versions of their adult books. There are identifiable tensions in developing revenues in the e-environment and maintaining the need to keep printing, but also recognition that the online platform offers opportunities to reach new audiences. It is widely accepted that traditional print newspapers are

¹⁹⁷ Ibid

¹⁹⁸ Deloitte Media Predictions 2009

¹⁹⁹ A Skillset led focus group held with 6 representatives spanning a number of sub-sectors in Wales (January 2010). The results should be taken as indicative of the sector and the skills needs, shortages and gaps in Wales.

losing their prominence with audiences and, as a result advertising revenues are falling;

- **The sector in Wales relies heavily on new graduates for technical skills** - sector employers in Wales report that learning and development within the sector tends to be informal /on-the-job.²⁰⁰ They also report severe limitations in the availability of appropriate formal courses and programmes and would like to see more courses (within further and higher education) with cross departmental collaboration; for instance, Welsh language degrees offering modules on publishing topics. The Welsh Book Council (WBC) is working closely with the Publishing Training Centre in England to develop and deliver increased formal learning and development provision for publishers in Wales.

Skills Requirements

Three in ten (28%) employers in the Publishing sector across the UK feel that a skills gap exists amongst their workforce. These employers highlight skills gaps amongst employees that relate to sales and marketing (64%), technical skills (50%, commonly computer programming and usage), using sector specific software packages (46%), business skills (38%, commonly entrepreneurial skills) and leadership and management (36%). Amongst freelancers, sales and marketing (41%), technical skills (31%, commonly computer programming and web/internet design/development) and using sector specific software packages (26%) were the most common skills gap areas.²⁰¹

In terms of new entrants, evidence points to skill shortages in relation to:²⁰²

- **Technical skills** - in particular the ability to meet industry standards requirements;
- **Strategic skills** - linked to maximising opportunities from the e-publishing business;
- **Improved marketing skills** - developing and implementing innovative, creative marketing using new technology;
- **Welsh language skills** - in relation to editing and journalism;

²⁰⁰ Ibid

²⁰¹ Skillset (2010) Creative Media Employer Survey

²⁰² Ibid

- **Multi-platform journalism skills** - journalists increasingly need to become multi-skilled to survive a changing work environment and demand for NUJ learning and development is rising especially in multi-platform skills;
- **Core business skills** - since Publishing sector companies tend to be editorially-driven.

Similarly, for incumbent staff the available evidence in Wales points to skills gaps relating to:²⁰³

- **Technical skills** - including web editing;
- **Marketing** - especially innovative e-marketing;
- **Transferable skills** - including business skills and ICT;
- **Welsh language editing;**
- **Innovation and creativity.**

Evidence gathered from the qualitative research undertaken by Skillset Cymru during October 2010 concurred in large measure with the skills gaps listed above. In particular, stakeholders drew attention to:

- **Sales and Marketing skills** - a gap in sales and marketing skills, and particularly at sales management level, combining this with a sound understanding of selling to the book world and selling in an e-environment;
- **Lack of Welsh speaking ICT specialists** - with some anecdotal evidence to suggest that employers may have had to compromise on Welsh language skills to secure appropriate ICT skills;
- **Welsh language writing and editing skills** - industry would like to see Welsh language courses delivered that ensure that students come out with very good writing skills, which they could use in other fields as well as Publishing.

²⁰³ Ibid

3.3.10 Advertising

Overview

It is estimated that 2,800 people in Wales work in the Advertising sector, 3% of the UK total²⁰⁴, and they are employed within over 250 companies.²⁰⁵ If UK data proves indicative, we might expect relatively low levels of freelance working; 20% of the Advertising sector is freelance.²⁰⁶ In terms of diversity the Advertising sector compares favourably with many other Creative Media sectors. The proportion of women in the sector (42%) is below average but more positively 11% are BAME, 10% are disabled and 60% are aged 35 and over.²⁰⁷

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

In 2009, Cultural and Creative Skills (with TBR) conducted a survey across the UK of over 1,000 employers, which showed that 51% of employers reported at least some of their employees as having received learning and development in the past year. 48% were reported as having received informal learning and development, 42% formal learning and development and 15% external learning and development.²⁰⁸

10% of companies said their employees had a specific entitlement to training and 8% that they had a training budget.²⁰⁹

Skills Shortages

The CCS/TBR survey showed:

- Graphic design occupations to be the most common area in which recruitment difficulties were reported by employers, cited by 46%. The next most common problem area was retail/sales reported by 15% and ICT (13%).

²⁰⁴ Labour Force Survey Jul 2009 - Jun 2010

²⁰⁵ IDBR 2009

²⁰⁶ Ibid

²⁰⁷ Ibid

²⁰⁸ CCS/TBR Workforce Survey, 2009

²⁰⁹ Ibid

- The skill areas most often found lacking in new entrants were design (cited by 41%), and ICT skills (20%).²¹⁰

Skillset undertook a consultation exercise with industry representatives in October 2010 with representatives of firms across the UK and skills shortage areas highlighted were²¹¹:

- Digital creatives;
- Upstream creatives – big ideas people not just execution experts;
- Business analysts;
- Behavioural scientists;
- Diagonal thinkers – i.e. those people who can shift seamlessly between linear and lateral thinking, making them at once commercial as well as creative;
- Illustrators;
- Multi-skilled creatives i.e. an ability to work on online and offline briefs;
- Social media specialists;
- Top quality intellects.

And from a purely digital perspective²¹²:

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

Skill Gaps

Approaching half (46%) of advertising companies report skills gaps among their current workforce. The skill areas most often cited are ICT (28%), business development (24%), digital (13%) and finance/accounting (13%).²¹³

A quarter (26%) of companies report losing business due to skills gaps in their workforce.²¹⁴

²¹⁰ Ibid

²¹¹ Skillset's employer and stakeholder qualitative framework 2010

²¹² Ibid

²¹³ CCS/TBR Workforce Survey, 2009

Skillset's consultation exercise with UK industry representatives in October 2010 suggested skills gaps specific to²¹⁵:

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

And from a digital perspective²¹⁶:

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

Future skills

In 2006, The Future Foundation identified twelve key drivers expected to impact most significantly over the next ten years to 2016.²¹⁷ These can be grouped into three main areas as follows:

- **Technological** – ever-increasing bandwidth and developments in mobile/wireless telephony e.g. the launch of mobile 4G planned for 2012 present both opportunities for creative execution and challenges in terms of evolving demand;
- **Social** – the 24 hour society sets a new framework for rethinking roles for advertising. Media owners, advertisers and agencies, will be increasingly challenged to engage on a human level, in order to capture and audience;
- **Economic and political** – the ageing population is going to mean advertisers are going to have to get better at reaching older segments of the population. Legislative creep (and increasing regulation) e.g. on advertising of tobacco, alcohol, and certain types of food or drink mean advertisers will have to get better at developing more responsible campaigns identifying consumer risks as well as consumer opportunities.

²¹⁴ Ibid

²¹⁵ Skillset's employer and stakeholder qualitative framework 2010

²¹⁶ Ibid

²¹⁷ 'The Future of Advertising and Agencies: A 10-Year Perspective', Future Foundation and Institute of Practitioners in Advertising, 2006

3.4 Skills Supply

3.4.1 Skills Supply: The Education System and New Entrants

Introduction

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).²¹⁸

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 Wales²¹⁹, whilst over 757,000 were studying Skillset relevant courses at UK HE institutions, including 36,700 in Wales.²²⁰ In terms of outcomes, 10% of all Skillset relevant students who have gained employment 6 months after graduating have done so within Skillset industries.²²¹

Funding for these activities is in excess of £96 million. Figures for HE are difficult to identify given the finance reporting requirements for HESA, but HE institutions attracted £35.4 million in research and contract work in Creative Media departments at UK HE institutions (approximately £3 million in Wales). FE Skillset relevant courses attracted

²¹⁸ 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.

²¹⁹ 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 which is not in the scope of this SSA. Further information regarding this study can be found in the methodology section.

²²⁰ 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, 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.

²²¹ 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.

in excess of £60.7 million in tuition fees from a range of sources including the LSC, private individuals and employers in 2008/09 (no data for Wales).²²²

Engagement between HE and the Creative Media industries is crucial and there is scope for further development as 81% of universities in England identified the creative industries as a target sector for external engagement.²²³ Further engagement would contribute to the growth of the Creative Media industries through:

- the development of talent and high-level skills for the creative economy
- activities that enhance the employability and enterprise skills of students and graduates
- provision of tailored and high-quality continuing professional development (CPD) to the creative industries
- research that supports innovation in the creative economy
- acting as hubs for innovation at the heart of regional creative clusters
- new models for interacting with creative businesses²²⁴

However, it was clear from the employers consulted as part of the qualitative phase of research conducted by Skillset Cymru in October 2010, that most HE and FE provision was not as relevant as it needed to be in order to deliver 'job-ready' entrants to the sector.²²⁵

One of the problems with course design was felt to be the fast-moving nature of developments within Creative Media. It is hard for FE/HE to keep up in some areas. Moreover many employers are reluctant to commit time and effort to developing training. It was recognised that projects like the Skillset Media Academy Wales programme Skillset Academi+ represented a good starting point to develop specialised provision within HE and offered a good starting point for the validation of standalone modules which could be made available to professionals working within the sector in Wales, similar to Skillset's Build Your Own MA initiative with HE colleges in England.

²²² 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.

²²³ PACEC/CBR (2010) Evaluation of the effectiveness and role of HEFCE/OSI third stream funding, report to HEFCE Bristol: HEFCE reported in Universities UK (2010), Creating Prosperity

²²⁴ 'Creating Prosperity: the role of education in driving the UK's creative economy', Universities UK (2010).

²²⁵ Focus group with Welsh employers and stakeholders undertaken in October 2010 as part of Skillset's employer and stakeholder qualitative framework 2010.

Working in silos is now no longer permissible. In this regard Skillset has an important role in facilitating dialogue between training and industry as they have the clearest overview of what's going on with the broadcasters, independents, Welsh Assembly Government, Unions, Trade Associations, other support agencies, FE/HE, private training providers and the sub-sectors of their footprint.

Mentoring was also mentioned as a positive way of developing people in the sector and there have been good examples of this being incorporated within various training initiatives such as the Skillset Academi+ supported Film Junction Scheme, delivered by the Film Agency for Wales, the Skillset Cymru Training Framework supported Kirkbright Creative Business Leaders Programme and the BECTU Creative Unions Learning Together (CULT) Cymru project which uses professionals at the end of their careers to offer the benefit of their own experience to the next generation.

Skillset Cymru is collaborating with stakeholders to address some of these issues, some of which are highlighted below:

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.²²⁶ The Welsh Assembly Government through the Department for Children, Education, Lifelong Learning and Skills (DCELLS) has worked with Skillset Cymru to incorporate the Principal Learning²²⁷ 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

²²⁶ 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.

²²⁷ 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 Media 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.

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

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,²²⁸ 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.

²²⁸ 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

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 Media 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 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.²²⁹

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.²³⁰

²²⁹ Ibid

²³⁰ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising

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.²³¹

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.²³²

Of the employers in Wales who have not offered or considered offering apprenticeships and graduate internships a variety of reasons were given. The most common include preferring to recruit fully trained or qualified staff and not being worth the time for the money received.²³³

3.4.2 Skills Supply: Continuing Professional Development

Introduction

This report already highlights the fact that the Creative Media workforce in Wales is relatively highly qualified. Approaching three fifths (57%) of the workforce in Wales had received learning or development in the past 12 months²³⁴, suggesting that (as for the UK as a whole) the appetite for learning and development amongst the sector's workforce in Wales is strong even though the existing baseline is high. However, just over half (56%) of Creative Media employers in Wales had funded or arranged learning and development for their workforce in the past 12 months. In addition, 45% of these Creative Media employers who fund or arrange learning or development do not make it available to freelancers.²³⁵

Over half (53%) of employers in Wales cited barriers that restricted their ability to provide more learning and development. The most common reason was that 'the company cannot afford to invest in learning and development' (mentioned by 76% of

²³¹ Ibid

²³² Ibid

²³³ Ibid

²³⁴ 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.

²³⁵ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising

employers), followed by not having enough time (63%) and interestingly that employees are already fully proficient (45%).²³⁶

Welsh respondents were also able to point to a number of barriers to undertaking learning and development.²³⁷ The reasons were varied, but the main ones included:

- Fees being too high (cited by 36%);
- Employers unwilling to pay (33%);
- Difficult to assess the quality of courses (33%);
- Employers not willing to give staff time off (28%);
- Learning or development delivered at inconvenient times (27%);
- Learning or development delivered in inconvenient places (26%).

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)*

²³⁶ Ibid

²³⁷ 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. NB: Survey respondents were able to select multiple barrier options.

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 +²³⁸

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.

²³⁸ <http://skillsetacademiplus.org/en>

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.

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 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 Cymru²³⁹

Skillset partners 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.

3.4.3 Skills Supply: Diversity

A particular issue in terms of skills supply into the Creative Media Industries is the changing profile in terms of women and Black, Asian and Minority Ethnic (BAME) representation, which has fallen sharply in recent years in some sub-sectors, along

²³⁹ www.cultcymru.org

with an increase in people leaving the Industries in their thirties and forties.²⁴⁰ For example, in Wales there has been a dramatic decrease since the Skillset (2006) Employment Census in the number of women within the industry (down from 38% in 2006 to 28% in 2009). In addition, the industry's traditional reliance on an extremely young workforce may in the future be challenged by the changing demographics of fewer young people coming through the education system. A workforce representative of our population in Wales is key to economic success and '...organisations that want to do business with this changing population realise they'll have a better chance if the make-up of their own workforce mirrors that of their potential customers'.²⁴¹ If this is not addressed fast it could potentially represent a major gap in experienced talent with implications for the industry at large.

Looking specifically at HE across the UK the following demographic profile emerges with positive profiles particularly for ethnicity and disability²⁴²:

- Skillset relevant students are generally younger than their non-Skillset relevant counterparts. 45% of Skillset relevant students are aged 18-20 years compared with 29% of all students on non-Skillset relevant courses, whilst just 15% of Skillset relevant students are aged 30 or over, compared with 33% of students on non-Skillset relevant courses. Advertising, Radio, Publishing and Film courses are dominated by the youngest students (18-20 years of age);
- Male students make up a greater than average proportion of students on Skillset relevant courses with 57% of all students being men. This compares with 40% of students on non-Skillset relevant courses. TV, Film, and Advertising courses have the highest level of female students, whilst Facilities, Interactive Media and VFX tend to be more male dominated;
- Students from BAME backgrounds are slightly more common on Skillset relevant courses than non-Skillset relevant courses. 15% of Skillset relevant students come from a BAME background compared with 14% on non-Skillset relevant courses. Almost one fifth (17%) of all BAME students in the UK study Skillset relevant

²⁴⁰ 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

²⁴¹ From Samir Shah's address to the audience of a recent RTS Fleming Memorial Lecture

²⁴² All figures from HESA 2008/09 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 which is not in the scope of this SSA. Further information regarding this study can be found in the methodology section.

courses. Students from BAME backgrounds are most common on Interactive Media, Computer Games, and VFX courses;

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

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 Media in the medium to long term especially in the context of the Welsh Assembly's Economic Renewal Strategy²⁴³ and Creative Industries Strategy²⁴⁴:

- Although the **TV sector** would have felt the loss of advertising revenue acutely in 2009, viewing figures - notoriously counter cyclical²⁴⁵ - have remained buoyant.²⁴⁶ The sector in Wales is underpinned by an established and sizeable Welsh based sector led by companies like Tinopolis and Boomerang+. The DCMS cut of 24% to S4C's budget will most definitely impact on production budgets and this could lead to job losses and a need to develop skills. Regulatory commitments to reduce the London-centric distribution of network output offer specific opportunities for the Welsh sector. The commitment from the BBC to increase network TV production in Wales to 5% by 2016 will have an effect on growth and will increase the requirement for high-end production staff. More generally, ongoing developments in high definition, interactive and online television, together with increasing consumer demand for professionally produced content over user generate content²⁴⁷ will be crucial drivers over the next few years. To take advantage of this will require those working in the industry to have the skills to identify and seize new business opportunities.
- Although the broadcast sector employs more people in the country, **Independent Film Production** generates considerable income and associated production spend. During 2008-09, over 90 film and television productions were shot in Wales, bringing in an expenditure of approximately £20.1 million.²⁴⁸ The Film Agency for Wales also report that seven films were in production or post-production in 2009-2010, development funds were awarded to 16 feature films, and production funds

²⁴³ Economic Renewal: A new Direction, Welsh Assembly, July 2010
<http://wales.gov.uk/docs/det/report/100705anewdirectionen.pdf>

²⁴⁴ 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>

²⁴⁵ Deloitte Media Predictions 2009

²⁴⁶ Although noting a minor fall in viewing figures since 2003, OFCOM (2009) The Communications Market Report Wales found that consumers in Wales attach relatively high significance to their communications services including television in times of recession.

²⁴⁷ Deloitte Media Predictions 2009

²⁴⁸ Statistic provided by the Welsh Screen Commission.

awarded to 13 feature films. They have also identified 5-6 smaller SMEs developing feature projects with considerable potential in Wales, but these companies do not yet have the capacity to bring them to market on a consistent basis.²⁴⁹ High-level, strategic business planning, corporate financial support and preparing companies for future funding from private sources of Development or Venture Capital could potentially improve the sector's growth.²⁵⁰

- Falling listening numbers and recent advertising revenues together with entrenched consumer demand for analogue output in some places, has put significant pressure on the Welsh **Radio** sector. However, market and regulatory forces over the period to 2015 are likely to drive major changes, primarily in relation to the move to digital output but also in terms of advances in Internet Radio accessed through portable WiFi systems technology. Local and Community Radio shows signs of growth although the sub-sector is notoriously volatile.²⁵¹
- **Animation** is incorporated across an increasingly wide range of Creative Media products and services including not only animated feature films and visual effects for the Post Production industry but also online communities and advertising. The growth in computer generated animation has created whole new markets. The Welsh industry will have to demonstrate adaptability and the right skills to develop work for both the domestic and international markets.
- The **Games** industry in the UK is viewed by NESTA as an area currently underestimated in terms of potential contributions.²⁵² The sector in Wales, albeit very small, will continue to benefit from the wider UK sector's position as one of the major gaming economies in the world. However, threats to this position include the sector's slow response to online gaming, falling levels of new IP, rising labour costs, a lack of global scale publishers, limited access to finance, skill shortages and increased competition from often heavily subsidised overseas companies.²⁵³ The sector is currently lobbying hard for the reintroduction of a tax break, promised

²⁴⁹ Study on the Case for Positive Intervention to Support Film Centred Production Companies in Wales. An Olsberg SPI report on behalf of The Film Agency for Wales (August 2009)

²⁵⁰ Ibid

²⁵¹ OFCOM (2009) The Communications Market Report, Nations and Regions, Wales, The report notes both that Community Radio is a small part of the Radio sector in Wales and that some Community Radio stations in Wales have in recent years stopped operating or failed to start.

²⁵² Nesta Annual Review February 2009

²⁵³ Nesta (2008) Raise the Game: The competitiveness of the UK's games development sector and the impact of governmental support in other countries

by the last government but recently a seeming casualty of the Coalition's deficit reduction plan.

- The move to high definition will be similar in impact to the change from analogue to digital in the 1990s resulting in a critical period of change for the **Facilities** sector. New opportunities are being created by convergence of platforms and technologies for Facilities companies to work across formerly more delineated industries. Demand for Facilities may increase in Wales in response to the BBC's commitment to increase Wales' share of the Television network expenditure to 5% by 2016 and by the development of BBC Wales' new Drama Village in Roath Basin, Cardiff Bay.
- The **Interactive Media** sector is widely predicted to grow in the medium to long-term.²⁵⁴ This will be driven by the spread of new technology increasing the demand for content. Developments such as plasma screens in public spaces and the convergence of platforms through which content can be consumed - e.g. television through mobile phones - will also increase the business opportunities in this sector. One of the key challenges facing the Interactive Media sector is how to generate revenue from social networking sites. This is a hitherto under-developed area and one which offers growth potential in the future. In addition, piracy and illegal downloading will remain a threat, whilst regulation and directives are likely to become more of a feature, particularly in relation to content.²⁵⁵
- During the recession the **Photo Imaging** sector in the UK has experienced a reduction in its net value despite volume growth. For photographers, general cost cutting has impacted severely on the standard rates for work.²⁵⁶ Some maturing in the 'digital revolution' might impact by lowering demand for up-skilling. However, countering this, the sector is heavily reliant on freelance workers – a group traditionally associated with undertaking lower levels of ongoing learning and development, despite identifiable skills gaps.
- Within **Publishing**, falling readership and online advertising is driving a movement away from hard copy and towards online content. However, a number of challenges exist including: the monetizing of online content; ownership of news and

²⁵⁴ UKCES Working Future 2007-2017 Evidence Report 2: December 2008

²⁵⁵ Deloitte Media Predictions 2009

²⁵⁶ Ibid

other output put online; the differing demographics between online and paper readers and the culture of accessing online content for free.²⁵⁷

- Within **Advertising**, opportunities from new online and web-based platforms will recast approaches and budgets.

In order to support growth and to plan for future labour demand, it will be of critical importance to continue to identify the potential future drivers of change within the industry, the resulting impact on demand for skills, and the gaps and shortages that will need to be addressed. In early 2011 Skillset Cymru will carry out a Welsh Assembly Government funded research project to look at drivers of demand in the future and to anticipate what lies ahead.

4.2 Changing Skills Needs

Skillset's 2010 Creative Media Employer Survey asked employers in Wales to think three to five years into the future and predict skills for which there will be a demand that will be difficult to meet. The skills identified by employers were consistent with those also identified as current skills gaps amongst the workforce. Over two fifths of employers identified sales and marketing skills as a future skills gap area (44%), followed by leadership and management and technical skills (both 30%). A quarter (26%) identified Welsh language skills as a future skills gap.²⁵⁸

To meet the sector's longer term growth potential it is widely recognized that the Creative Media Industries in Wales will need to continue to up-skill. A key finding from the report so far is the extent to which broadly based or a 'hybrid' mix of skills will become increasingly desired at all levels of the Creative Media sector. Creative Media as a whole are increasingly demand individuals with 'T-skills' and the ability to think diagonally: specialist skills in one core area combined with broad general skills and cross-disciplinary awareness plus a combination of creativity and entrepreneurialism. Perhaps logically, this process mirrors the perceived industry-wide migration from linear supply chain processes towards new business models espousing complex information flows and content creation leading to multi-platform output channels.

²⁵⁷ Ibid

²⁵⁸ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

5. Geographical Differences in Labour and Skill Needs

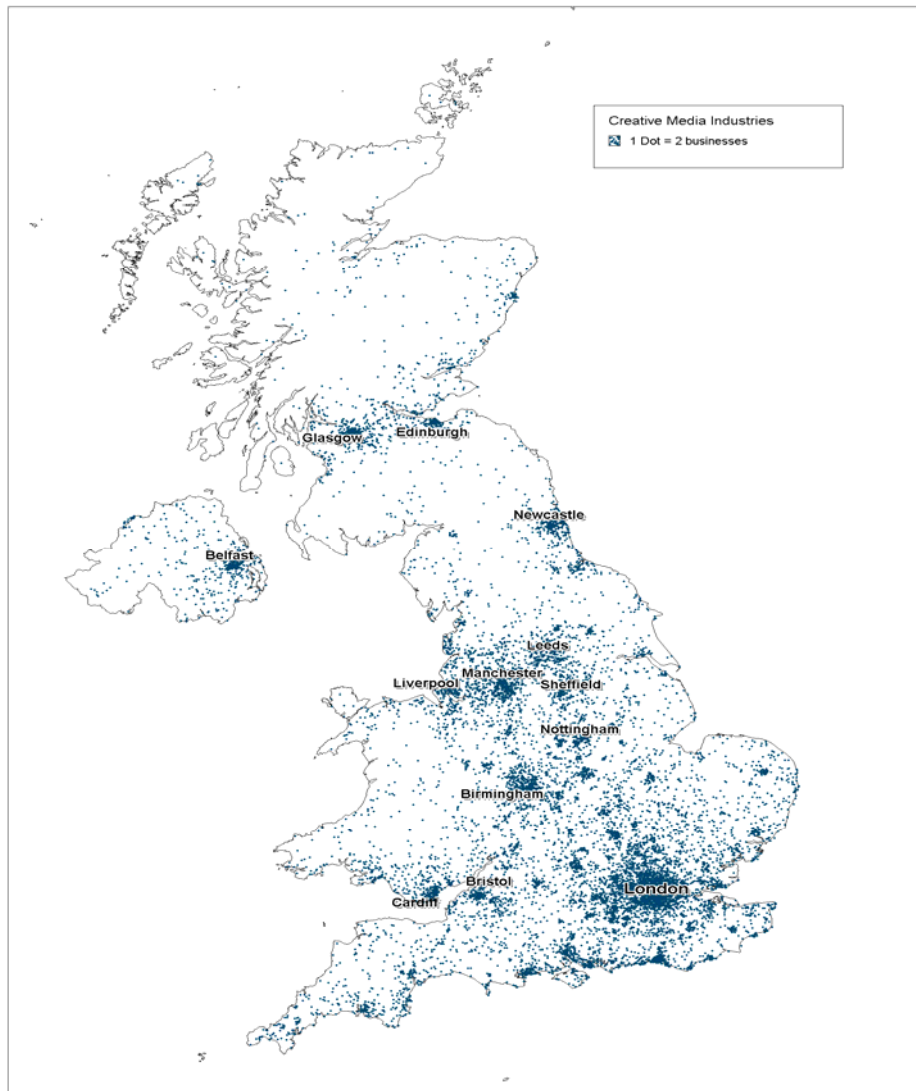
5.1 Sector Employment across Wales

Very few studies have sought to analyse the dispersion of the Creative Media Industry 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.²⁵⁹

The following map illustrates the distribution of Creative Media companies contained in Skillset's 2010 Company Database²⁶⁰ by post code district. This map clearly acknowledges Cardiff and South East Wales as the main hub of activity.

²⁵⁹ Labour Force Survey reports

²⁶⁰ Excluding Advertising and Cinema Exhibition. Database created from a variety of sources including previous research participants, Trade Association membership lists, Industry Directories and Experian.



It remains likely that Cardiff will continue to dominate employment in Creative Media 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.²⁶¹ 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 4 shows that 4% of the UK Creative Media 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

²⁶¹ Presentation by Professor Paul Cooke, Centre for Advanced Studies, University of Cardiff (2006)

Media. The table illustrates the dominance London and the South East of England has on employment in the Creative Media Industries: half the workforce being based in these two regions combined.

Table 4 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.

It is unclear what effect the dominance of London has on the Welsh Creative Media 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.²⁶² 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.²⁶³

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.

²⁶² Sector Skills Agreement for the Creative Media Industries Wales Update 2008-11, Skillset

²⁶³ Ibid

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.

Annex A Methodology

- **Skillset's 2010 Creative Media Employer Survey** was conducted via telephone interviews between June – August 2010 by the research agency IFF. A sample of Creative Media employers was compiled from Skillset's 2010 Company Database (created from a variety of sources including previous research participants, Trade Association membership lists and Industry Directories). A total of 2,634 interviews were completed. The data was weighted to known distributions of companies by sub-sector, size and region/nation to ensure representative of all Creative Media companies.

The sectors covered by the survey included Television, Radio, Animation, Film, Facilities, Interactive Media, Content for Computer Games, Corporate Production, Commercials and Pop Promos, Publishing and Photo Imaging.

The full 2010 Creative Media Employer Survey report will be available in early 2011.

- **Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and Development Provision in FE, HE, and the Private Sector in the UK**

This work was undertaken during 2010 by Research-as-Evidence, with on-going support and input from the Skillset research team and sector managers.

The work aimed to fill an existing gap in supply-side knowledge to identify the specific nature of the supply side from FE, HE, and private sector training markets to the Creative Media Industries.

This is the first time that Skillset have sought to define FE and HE provision in terms of relevance to its range of industry sector responsibilities. This is also the first time that datasets from the Higher Education Statistics Agency (HESA) and the Individualised Learner Record (ILR)²⁶⁴ have been used in this way - and the first detailed analysis of the outcomes from HE/FE provision that Skillset directly influences (through course accreditation and/or the Film/Media Academy network).

The research has produced a range of data on student demographics/ profiles, attainment and funding in FE and HE across the UK and additional data in relation to the most prominent commercial training providers serving Skillset sectors. The findings also include extensive analysis of data relating to early graduate destinations 6 months after students have completed their study, providing an important 'snapshot' of early career destinations of those who have undertaken HE courses relevant to employment in Skillset industry sectors.

Defining Courses Relevant to Skillset Key Sectors

The numbers of students and courses recorded for each key sector (Advertising, Animation, Computer Games, Facilities, Fashion and Textiles, Film, Interactive Media, Photo imaging, Publishing, Radio, TV) has been defined in a new and innovative way. This means that courses in FE and HE have been defined in terms that assesses the relevance of each course to specific key sectors and the overall responsibilities of Skillset for the creative media and fashion and textiles industries.

²⁶⁴ See www.theia.org.uk/ilr for more details.

Consequently, whilst the category Film will include Film Production, Direction or Scriptwriting courses it will also include those courses that include content directly relevant to the activities and occupations working in that sector like costume and set design, or computer animation for CGI. This avoids just identifying courses in broad categories such as Creative Arts and Design and Mass Communications and Documentation as had been done before which often meant including some non-relevant courses, but also missing out some relevant courses in other broad subject categories.

This does mean some courses will feature in multiple sectors because they may be relevant to a number of key sectors. For instance - Film and TV, and Computer Games and Animation. However, in the broad categories of Skillset relevant and non-Skillset Relevant courses only feature in one of these two categories.

Student and course numbers identified in the report show the numbers recorded against these categories when the individual course definitions are combined for Skillset relevant and key sector courses. The student count is the number who are studying that combination of courses whether in the first, middle, or final years of study.

- **Employer and stakeholder qualitative framework 2010** – consists of a series of consultations and focus groups to contextualise quantitative data and begin to develop recommendations and solutions. In October 2010 three focus groups were held in Scotland, Wales and Northern Ireland with a representative group of industry employers and stakeholders from each nation. Telephone interviews were carried out to fill any gaps that remained after the focus groups. A further consultation was held with Skillset Directors, with additional input from Sector leads within the organisation where required. An email questionnaire was distributed to Advertising industry representatives via the IPA Professional Development Group and also to other contacts in the industry (including Digital Agency representatives).
- **Skillset's Employment Census 2009** is a biennial survey to measure the size and shape of the Creative Media Industries (excluding Film Production freelancers, Photo Imaging, Publishing and Advertising). Census forms were distributed to companies throughout June for completion on 1 July. A central database of around 26,000 companies was set up at Skillset using a number of available sources including trade association membership lists, screen agency records and other

databases. In addition, the Census was publicised in trade journals and national press in order to reach companies outside the membership of industry organisations. Each company was given three weeks to complete and return the questionnaire. Companies that had not responded by Monday 27 July were contacted by a range of media including letters, emails and telephone call (depending on sector and availability of contact information), with a final completion date of 31 July 2009. The 2009 Census achieved a response from 1,010 companies. The estimated percentage coverage of each sector has been used to generate estimates of the workforce in each sector and in the industry as a whole, from the responses received, through the calculation of weighting factors. These take into account all available information about the representation of the response for each sector in terms of numbers and size of companies.

- **From Recession to Recovery 2009** aimed to obtain a picture of the impact of the recession of 2009 on the Creative Media sector, and in particular its implications for the use of skills in the industry. All sectors were covered (with the exception of Advertising which was not part of Skillset's footprint at the time). The research comprised two separate strands: a survey of employers and a survey of trade associations. The fieldwork was conducted during summer 2009 (May – August), by way of an online survey which respondents were invited to complete by email or via Skillset's website. In the interests of expediency, employers with whom Skillset had had previous contact and thus were potentially involved in the skills agenda were primarily targeted, which should be taken into consideration when scrutinising the results. The survey was supplemented by a shorter, largely open ended survey of trade associations covering similar issues. Overall, the survey achieved a response from 262 companies. It is not possible to estimate the number of companies targeted or a final response rate due to the methods used to distribute the survey. The response by sector broadly reflects the respective levels of employment across the industry. Taking that into consideration, and given the relatively low numbers involved, data was not weighted to adjust for variations in levels of response and representativeness across sectors.
- **Film Sector Employers: Skills and Training Needs in Production, Distribution & Exhibition 2009** was undertaken up to inform the ongoing development of the Film Skills Strategy and the second phase of *A Bigger Future*, which will run from 2010-2013. Participating employers were selected from a broad range of companies varying by size (number of people employed), location in the UK,

interest in mainstream and specialised films, and in production by experience of working at a range of budget levels (from below £500,000 to £5 million+). The fieldwork involved three elements:

Two focus groups, each lasting two hours, were held with producers, line producers and production managers in January and February 2009.

Face-to-face or telephone interviews lasting up to an hour were held with senior company executives within distribution and exhibition throughout the period from January to March 2009. Five interviews were held in total within distribution and a total of six interviews were held within exhibition, involving.

Face-to-face interviews lasting up to an hour were held in March and April 2009 with three senior production and development executives from two national film funding organisations.

- **A Skills Review for the TV & Radio Sector, 2009** - in October 2008 Ofcom, Skillset and the Broadcast Training & Skills Regulator (BTSR) agreed to conduct a short 'Skills Review' of the TV and radio broadcasting industry. As organisations responsible, in different ways, for supporting, regulating and monitoring the broadcasting sectors it was recognised that major technological, structural and economic changes were at play and that it would be helpful to all three organisations to analyse the impact of these changes on people and skills. The terms of reference established that the TV and Radio Skills Review would be a 'temperature check' on the skills health of the sectors, capturing and summarising as much data and evidence as possible in order to inform the work and actions of the industry itself, the Sector Skills Council and the regulator. To support the deliberations of the Review Group, existing research was to be used as the main source of data and evidence. Skillset's Census, Workforce Survey and Employers surveys, BTSR's evaluation data and the wider research carried out by organisations such as NESTA and Spectrum would be used to support the analysis. In order to contextualise this data and ensure currency, the Review Group invited a small number of Expert Witnesses (both employers and training providers) to provide a rich source of information about employment practice, recruitment issues and skill needs. The Review Group is indebted to the Expert Witnesses for the time they gave and the insight provided.

- **Skillset’s Creative Media Workforce Survey 2008** is a biennial survey of the Creative Media workforce and provides the most comprehensive profile of working life in the UK’s creative sectors ever produced (excluding Film Production freelancers, Photo Imaging, Publishing and Advertising)²⁶⁵. It includes questions on working patterns; training needs and experiences; qualifications; and demographics. In order to provide the perspective and capture the experience of both individuals working at the time of the survey and those available to the workforce but not actually employed at the time of the survey, a self-completion questionnaire was distributed by post or by email to employees and freelancers via two main routes during May 2008. A boost set of questionnaires were sent out to the Commercial Radio sector in October 2008. The first route consisted of the distribution of around 28,500 questionnaires via and with the support of, Trade Associations, Membership Organisations and Unions. Second, over 8,000 paper questionnaires were distributed via approximately 700 industry employers in order to ensure adequate representation from individuals working at the time of the survey. Skillset’s Employer Database was used to target companies and the information from Skillset’s Employment Census 2006 on numbers of employees and freelancers in each company was used to calculate the number of questionnaires with which to target each company. Employers were asked to distribute the questionnaires internally to their workforce. Approximately 1,000 industry employers received an email direct from Skillset requesting their assistance in terms of circulating a link to the online survey to their workforce. A total of 4,970 completed valid questionnaires were received. To account for non-response and in order to achieve total figures representative of the Creative Media Industries in scope, weightings have been applied to each sector, based on information from Skillset’s 2006 Employment Census.
- **Skillset/UK Film Council, Feature Film Production Workforce Survey 2008** is a biennial survey conducted as part of a cycle of film production surveys on order to obtain a reliable picture of working patterns, current and future skills development needs, existing provision, and barriers experienced to receiving

²⁶⁵ Skillset’s Creative Media Workforce Survey 2010 will be published in early 2011 and includes all Creative Media sectors with the exception of Advertising (which was not part of Skillset’s footprint when planning for this survey commenced).

training and development from film sectors not covered elsewhere by research.²⁶⁶
The survey covered all individuals working on feature film productions that met the following eligibility criteria:

- shooting took place within calendar year 2006;
- the production was 80 minutes or longer in duration;
- it had a minimum budget of £500,000;
- it involved UK crew;
- it was intended for theatrical release.

There were 102 feature film productions eligible for the survey according to these criteria. Of these a total of 54 productions facilitated the involvement of their crew in the survey, 37 either refused to support the study or it was not possible to establish contact with the production office and a further ten involved few UK based crew.

Over 6,600 names were gradually compiled from the crew lists for these productions. Duplicate names of individuals appearing on more than one production list were removed, resulting in a list of around 5,500 individual UK crew members.

Production companies and producers distributed questionnaires to their crew and as a result it is not possible to know for certain how many were sent out, which means an accurate response rate cannot be calculated. However, a total of 1,158 respondents took part in the survey, equivalent to a response rate of 21% if every person on the de-duplicated crew lists received a questionnaire.

- **Skillset's Photo Imaging Workforce Survey 2007** was conducted via postal and online self-completion questionnaires between March – June 2007. The primary sample frame used was Experian's UK company database. This was supplemented by promotion of the survey via key trade associations and encouragement of their members to participate. A multi-stage sample design was created whereby questionnaires were sent directly to individual photographers and to individuals working in all other photo imaging sectors via companies listed in the sample frame. A total of 1,041 completed questionnaires were received.

²⁶⁶ Skillset/UKFC Feature Film Production Workforce Survey 2010 will be published in early 2011.

The survey covered all sectors of the Photo Imaging Industry including photographers, photography companies, photographic equipment and manufacture support services, picture libraries and agencies, picture laboratories, photo imaging specific retail companies and design studio hire/image producers.

This data will be updated by the 2010 Creative Media Workforce Survey due for release in early 2011.

- **Skillset's Employment Census 2006** – the last Census conducted prior to 2009, was conducted to measure the size and shape of the Creative Media Industries (excluding Film Production freelancers, Photo Imaging, Publishing and Advertising). Census forms were distributed to companies throughout June for completion on 12 July 2006. A central database of around 13,000 companies was set up at Skillset using a number of available sources including trade association membership lists, screen agency records and other databases. In addition, the Census was publicised in trade journals and national press in order to reach companies outside the membership of industry organisations. Each company was given two months to complete and return the questionnaire. The 2009 Census achieved a response from 2,878 companies. The estimated percentage coverage of each sector has been used to generate estimates of the workforce in each sector and in the industry as a whole, from the responses received, through the calculation of weighting factors. These take into account all available information about the representation of the response for each sector in terms of numbers and size of companies.
- **Balancing Children and Work in the Audio Visual Industries 2006** aimed investigate the factors specific to balancing a career with family life in the Creative Media sector, and in particular to identify and isolate the determinants of whether or not women remain in the industry at each phase of balancing a career with family life. There were two stages to the research. First, the design of the study was informed by structured one to one interviews with representatives from expert, industry, and government organisations. Second, study data were generated via five focus group discussions which took place during the first week of October 2006. Participants were organised characterised by homogeneity of characteristics determined by the purpose of the study and the sample specification (e.g. gender, presence of children), in order to capitalise on participants' shared experiences. In addition, in advance of the focus group discussions each participant was invited to

complete a short questionnaire to provide context to the focus group discussions. A non-probability sample was designed. Sub-sectors of the were selected where Skillset research has shown there is either under-representation of women with dependents under the age of 16 (compared to men); the per cent of women working is above average; or there is a high degree of reliance on freelancers.

- **Survey of the Audio Visual Workforce 2005** – the last workforce survey conducted prior to 2008. The scope of the survey was all people employed in the following sectors: Broadcast, Independent Production for TV, Facilities, Interactive Media, Content for Computer Games, Corporate Production, Commercials, Animation.

In order to provide the perspective and capture the experience of both individuals working at the time of the survey and those available to the workforce but not actually employed at the time of the survey, a self-completion questionnaire was distributed by post or by email to employees and freelancers via two main routes during March 2005. The quantity of questionnaires distributed was calculated based on the employment estimates reported in the 2004 Skillset Employment Census and an estimated rate of response based on previous experience of similar surveys.

The first route consisted of distribution of around 74,000 questionnaires via and with the support of various trade organisations. Second, around 8,000 questionnaires were distributed via employers in sectors employing individuals in occupations not sufficiently represented by the trade organisations involved. The Skillset 2004 Employment Census company database was used to target companies and the information from the Census on numbers of employees and freelancers in each company was used to calculate the number of questionnaires with which to target each company. Employers were asked to distribute the questionnaires internally to their workforce. Six weeks following the initial distribution, reminder letters were issued. At this time, the sample was boosted by distributing 39,000 questionnaires to individuals via employers in sectors and occupations where the response was low. Again the information from the 2004 Skillset employment Census on numbers of employees and freelancers in each company was used to calculate the number of questionnaires with which to target each company.

A total of 6,885 completed valid questionnaires were received. It is not possible to calculate an exact response rate, as the exact number of questionnaires distributed via some channels is unknown.

Annex B Limitations of Official Data Sources for Creative Media

Official data sources that rely on Standard Industrial and Standard Occupational Classifications are broadly effective for Photo Imaging and Publishing for the purpose of collecting and representing employment and some skills data but less useful for capturing data for the rest of the industry. As noted earlier:

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

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

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

In some cases, the SIC and SOC systems simply do not provide the level of detail required, as noted above. In other cases within the SIC system, whilst the system itself provides the level of detail required, sample sized of surveys prevent that underpin the key data sources such as the ABI which measures productivity are in fact too small to offer robust detailed analysis. As well as systematically excluding sole traders, as far

as business activity goes, little data are available at 5-digit SIC level and for example production and distribution activity cannot be disaggregated.

The table below provides a full breakdown of employment in the Creative Media Industries in Wales from Skillset's primary research, compared with estimates from official data sources. This is followed by a detailed comparative analysis. The table clearly shows the paucity of official data for the Creative Media Industries in Wales where, as noted earlier, Interactive Media, Content for Computer Games and most of Facilities are not included at all, and reliable figures for those sectors that are included are only provided for TV (programming and broadcasting) and newspaper publishing. The official data substantially underestimates the scale of employment within the Creative Media Industries in Wales, accounting for a proportion of employment as illustrated by Skillset's industry endorsed primary research.

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

Table 5 Labour Force Survey and Skillset Creative Media Employment Estimates - Wales

LABOUR FORCE SURVEY ²⁶⁷			SKILLSET ²⁶⁸		
INDUSTRIES			INDUSTRIES		
SIC 2007	Description	Total Employed	Main Sector	Sub-sector	Total Employed
60.2	TV Programming & Broadcasting activities	4,000	Television	Broadcast TV	1,000
59.11/3	TV Programme Production activities	*		Cable and Satellite	*
59.13/3	TV Programme Distribution activities	-		Independent Production	2,500
	Sub-total	4,000		Sub-total	3,500
60.1	Radio Broadcasting	-	Radio	Broadcast Radio	750
				Independent Production	*
	Sub-total	-		Sub-total	750
59.12	MP, V, and TV Programme Post-Production	-	Facilities	Post Production	100
				Studio and Equipment Hire	100
				Outside Broadcast	*
				VFX	*
				Special Physical Effects	*
				Manufacture of AV Equipment	*
				Processing Labs	*
				Other Services for Film and TV	500
	Sub-total	-			Sub-total
59.11/1	Motion Picture Production activities	-	Film	Film Production ²⁶⁹	250
59.13/1	Motion Picture Distribution activities	-		Film Distribution	*
59.14	Motion Picture Projection activities	*		Cinema Exhibition	750
				Moving Picture Archives and Libraries	*

²⁶⁷ ONS Labour Force Survey July 2009 – June 2010.

²⁶⁸ Skillset (2009) Employment Census except for Publishing, Photo Imaging, Advertising, Creative Occupations outside the industry and other business sectors of interest.

²⁶⁹ Secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and Skillset (2009) Employment Census.

LABOUR FORCE SURVEY ²⁶⁷			SKILLSET ²⁶⁸		
	Sub-total	*		Sub-total	1,000
59.11/2	Video Production activities	-	Other Content	Animation	400
59.13/2	Video Distribution activities	-		Commercials and Pop Promos	0
18.20/2	Reproduction of video recording			Corporate Production	0
	Sub-total	-		Sub-total	400
			Interactive Media	Interactive Media	3,850
				Sub-total	3,850
			Content for Computer Games	Content and Development	50
				Sub-total	50
			Additional Available Freelancers		2,100
74.2	Photographic activities	-	Photo Imaging²⁷⁰	Photographic activities	-
74.20/1	Portrait Photographic activities	*		Portrait Photographic activities	*
74.20/2	Other Specialist Photography not Portrait	-		Other Specialist Photography not	-
74.20/3	Film processing	-		Film processing	-
74.20/9	Other Photographic activities; n.e.c.	*		Other Photographic activities; n.e.c.	*
	Sub-total	1,800		Sub-total	1,800
58.11	Book Publishing	-	Publishing²⁷¹	Book Publishing	-
58.12	Publishing of Directories & Mailing Lists	-		Publishing of Directories & Mailing	-
58.13	Publishing of Newspapers	2,000		Publishing of Newspapers	2,000
58.14	Publishing of Journals & Periodicals	-		Publishing of Journals & Periodicals	-
58.14/1	Publishing of Learned Journals	-		Publishing of Learned Journals	-

²⁷⁰ ONS Labour Force Survey July 2009 – June 2010.

²⁷¹ Ibid

LABOUR FORCE SURVEY ²⁶⁷			SKILLSET ²⁶⁸		
58.14/2	Publishing of Consumer, Business and Professional Journals and Periodicals	*		Publishing of Consumer, Business and Professional Journals and	*
63.91	News Agency activities	*		News Agency activities	*
63.99	Other information Service activities n.e.c.	*		Other information Service activities	*
58.19	Other Publishing	*		Other Publishing	*
	Sub-total	3,000		Sub-total	3,300
73.10	Advertising Agencies		Advertising²⁷²	Advertising Agencies	
	Media Representation Services			Media Representation Services	
	Sub-total	2,800		Sub-total	2,800
	TOTAL	14,400		TOTAL	20,300
OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY ²⁷³			OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY ²⁷⁴		
SOC 2000	Description	Total employed	SOC 2000	Description	Total employed
3431	Journalists, Newspaper & Periodical Editors	1,000	3431	Journalists, Newspaper & Periodical	1,000
3432	Broadcasting Associate Professionals	-	3432	Broadcasting Associate Professionals	-
3434	Photographers & Audio-Visual equipment	*	3434	Photographers & Audio-Visual	*
1134	Advertising & Public Relation Managers	1,350	1134	Advertising & Public Relation	1,350
3433	Public Relations Officers	1,000	3433	Public Relations Officers	1,000
	TOTAL	3,500		TOTAL	3,500
INDUSTRIES + OCCUPATIONS ²⁷⁵			INDUSTRIES + OCCUPATIONS ²⁷⁶		
TOTAL		17,900	TOTAL		23,800

²⁷² Ibid

²⁷³ Skillset's contract with UKCES states that Skillset has exclusive responsibility for occupations 3421, 3432 and 3434 and primary responsibility for 1134 and 3433.

²⁷⁴ Ibid

²⁷⁵ Ibid

²⁷⁶ Ibid

LABOUR FORCE SURVEY ²⁶⁷			SKILLSET ²⁶⁸		
OTHER BUSINESS SECTORS OF INTEREST ²⁷⁷			OTHER BUSINESS SECTORS OF INTEREST ²⁷⁸		
SIC 2007	Description	Total Employed	Main Sector	Sub-sector	Total Employed
18.20/3	Reproduction of Computer Media	-	Content for Computer Games	Reproduction of Computer Media	-
58.21	Publishing of Computer Games	-		Publishing of Computer Games	-
62.01	Computer programming activities			Computer programming activities	
62.01/1	Ready-made interactive leisure and entertainment software development	-		Ready-made interactive leisure and entertainment software development	-
62.01/2	Business and domestic software development	5,050		Business and domestic software	5,050
62.02	Computer consultancy activities	4,500	Interactive Media	Computer consultancy activities	4,500
63.12	Web portals	-		Web portals	-
	TOTAL	9,550		TOTAL	9,550

NB: '-' indicates data not available. All LFS data include all people working and not just those of working age. '*' indicates figures are suppressed due to unreliable estimates.

²⁷⁷ Skillset's contract with UKCES does not include responsibility for these SIC outside the Creative Media Industries, they sit within the footprint of e-Skills. The following business sectors represent areas where there is a Creative Media interest.

²⁷⁸ Ibid

Annex C Data Sources

Skillset sources:

- 'Balancing Children and Work in the Audio Visual Industries', 2006.
- 'Creative Media Employer Survey', 2010 (to be published early 2011)
- 'Creative Media Workforce Survey', 2008, 2005, 2003.
- Employer and stakeholder qualitative framework 2010, including focus group with Wales employers and stakeholders carried out in October 2010.
- 'Employment Census', 2009, 2006, 2004, 2003, 2002, 2001, 2000.
- 'Feature Film Production Workforce Survey', Skillset/UK Film Council, 2008.
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