



Sector Skills Assessment for the Creative Media Industries in England



**January
2011**

Contents

Page

Executive Summary	3
1. Introduction.....	7
1.1 An Overview of Current and Future Skills Priorities	8
1.2 Research and Data	8
2. What Drives Skills Demand?	9
2.1 Contribution of the Sector	9
2.2 Product Market Structure	12
2.2.1 Overview	12
2.2.2 Innovation.....	12
2.2.3 Digital Britain	13
2.3 Employment Profile	14
2.4 Recruitment at Entry Level Onwards	18
2.5 Retention.....	20
2.6 The Economic Situation	21
2.7 Opportunities and Challenges.....	22
3. Current Skills Needs.....	24
3.1 Overview of Skills in the Sector	24
3.2 Television.....	29
3.3 Film	35
3.4 Radio.....	40
3.5 Animation	44
3.6 Content for Computer Games	48
3.7 Facilities	52
3.8 Interactive Media.....	56
3.9 Photo Imaging.....	60
3.10 Publishing	63
3.11 Advertising	67

3.12	Skills Supply.....	71
3.12.1	Skills Supply: the Education System.....	71
3.12.2	Skills Supply: Workforce Development.....	73
3.12.3	Skills Supply: Diversity.....	75
4.	Anticipating What Lies Ahead.....	79
4.1	Growth Continues as Does Freelance Fragility	79
4.2	A Square Peg in a Round Hole? Creative Media and the Current VET System	79
4.3	A Necessary Broadening and Deepening of the Skills Base	80
5.	Geographical Differences in Labour and Skill Needs.....	83
Annex A	Methodology.....	88
Annex B	Limitations of Official Data Sources for Creative Media.....	97
Annex C	Data Sources	106
Annex D	Acknowledgements.....	109

Executive Summary

1. The Creative Media sector is a major contributor to the UK economy. The Government's recently announced *Growth Review* will include Digital and Creative Industries as one of six priority growth sectors which they believe are likely to justify prioritised actions to support growth.
2. The latest figures for the whole of the Creative Industries of the UK (which include the Creative Media sector), excluding Crafts, showed that Creative Media accounted for 5.6% of Gross Value Added (GVA) in 2008.¹ Exports of services by the Creative Industries totalled £17.3 billion in 2008. This equated to 4.1% of all goods and services exported.²
3. Growth in the Creative Media sector as part of the Creative Industries sector has been robust. In the summer quarter of 2010, creative employment in the UK totalled over 2 million jobs. This comprised of 1.3 million jobs in the Creative Industries and just under 1 million further creative jobs within businesses outside these industries. This represents an average growth rate for jobs of 2% since 1997 compared to 1% for the whole economy over this period. The Software, Computer Games & Electronic Publishing sector showed growth in employment of 5% per annum between 1997 and 2008, the highest across the Creative Industries.³
4. Recent forecasts by PwC suggested that the UK entertainment and media (E&M) market would grow by 3.7% per annum on average for the 4 years to 2014.⁴ This compares to whole economy growth over this period predicted at just over 2%.⁵ Given the reported business optimism from Skillset's October 2010 qualitative research phase these assumptions look realistic.⁶ Global growth in the E&M market is expected to reach 5% year-on-year and total \$1.7 trillion by 2014.

¹ DCMS Economic Estimates December 2010. These are the latest figures available from DCMS, however, it is possible that economic trends occurring since the data was produced may have had an impact on these estimates.

² Ibid

³ Ibid

⁴ Towards 2014, the search for value in the digital supply chain PwC 2010

⁵ http://budgetresponsibility.independent.gov.uk/d/pre_budget_forecast_140610.pdf

⁶ Skillset's employer and stakeholder qualitative framework 2010

5. The Creative Media sector is fundamentally a sector that remains dominated by small and medium size enterprises that illustrate the characteristics of an external labour market.⁷ Competition for entry is common requiring high levels of adaptive capacity within the individuals who want to work in the sector, high levels of resilience and often the ability to work for a period without pay. It is a freelance sector.
6. Interestingly three in ten (30%) employers in England stated that their company's requirement for freelancers had *increased* over the last 12 months. A further 46% said that their need had not changed in the past 12 months. In addition, 23% of employers in England believed their company's requirement for freelancers would *increase* over the next 12 months and 66% believed it would *stay the same*.⁸
7. Despite employee and freelance demand for learning and development being high the latest evidence suggests that employer's provision to meet the demand is not at the same level. In Skillset's (2010) Creative Media Employer Survey, just 17% of Creative Media employers in England have a plan that specifies the type and level of learning and development that their company will invest in over the coming year. Over the last 12 months just 45% of employers have funded or arranged any learning or development for their workforce.
8. Of those employers in England reporting vacancies in Skillset's (2010) Creative Media Employer Survey, 46% reported vacancies that are hard to fill. These hard to fill vacancies were most frequently based in distribution, sales and marketing (40%), technical development (27%), art and design (19%) and business management (13%). The majority of employers (83%) went on to report that these vacancies are hard to fill because applicants lack the skills or talent the company demands. Two-thirds of employers also attributed the difficulty in filling these vacancies to applicants lacking relevant work experience (66%) and the required attitude, motivation or personality (67%).⁹
9. In response to these hard to fill vacancies, three-quarters (75%) of Creative Media employers had undertaken specific actions over the last year such as using new recruitment methods/channels (62%), increasing advertising/

⁷ An external labour market defines those situations where career progression opportunities do not exist within the organisation and promotion to more senior posts is usually through open competition. This is often due to the structure of particular industries particularly those with high densities of SMEs.

⁸ Skillset (2010) Creative Media Employer Survey

⁹ Ibid

recruitment spend (37%) and increasing or expanding trainee programmes (25%).¹⁰

10. Mismatch of applicants' skills to the needs of the job is a common issue raised by employers, but evidence suggests that Skillset's Media and Film Academy Network and Accredited courses are changing this perception based on the employability of their graduates into sector relevant jobs when compared with many other education providers¹¹. The 'fit' between course and what might be expected in the workplace is tighter and employers are thus more confident about what they will get from these institutions and courses.
11. Diversity remains a pressing concern for the sector. Across the UK and England, fewer work in the Creative Media Industries from a Black, Asian or Minority Ethnic Background (BAME) than within the economy as a whole (7% compared to 9%). 31% of London's workforce is from a BAME background, which is where a third of those working in the Creative Media Industries are based. Representation of women in Creative Media in England is also lower than across the UK economy as a whole (39% compared with 47%) and this varies considerably between sub-sectors¹².
12. Innovation is crucial to the growth of the creative economy. Digital technology is re-shaping the economic landscape, demanding new business models and multi-disciplinary solutions. Animation, Film, Television, Visual Effects and Content for Computer Games¹³ are all rapidly adjusting to fast-changing new developments and technological breakthroughs. VFX is a major skills shortage area due to its dependency on highly specialised technical and artistic skills which are in considerably short supply¹⁴.
13. Skills gaps occurring in Creative Media Industries continue to be:

¹⁰ Ibid

¹¹ Over a quarter (26%) of students completing Skillset Accredited Courses are finding employment in Skillset relevant industries six months after graduating (industries that Skillset has a sole contracted responsibility for) compared to 10% of students on all other Skillset relevant courses who find employment six months after their course in Skillset relevant industries. Source: DLHE Survey, HESA 2007/08 from Skillset/Research As Evidence (October, 2010) Mapping Creative Industries and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK.

¹² Sources for the figures quoted in paragraph 11 can be found in section 2.3 of the main report.

¹³ In relation to Computer Games and VFX a more detailed analysis of this will be available in the BIS/DCMS commissioned NESTA review of chaired by Ian Livingstone and Alex Hope which Skillset has contributed to, to be published on 1st February 2011.

¹⁴ VFX occupations are currently included in Tier 2 of occupations open to immigration from non-EU nationals and are included in the Home Office UK shortage occupation lists.

Multi-skilling: an understanding of different technology platforms and their impact on content development and digital work flow, and new approaches to working in cross-functional creative / technical teams within and across companies.

Multi-platform skills: an understanding of how to create, market and distribute content across a range of channels, and the ability to understand and exploit technological advances.

Management, leadership, business and entrepreneurial skills: especially project management for multi-platform development; the hybrid skills combining effective leadership with innovation, creativity and understanding of technology, and the analytical skills to understand audience interests and translate it into business intelligence.

IP and monetisation of multi-platform content: understanding of intellectual property legislation to protect from piracy, and exploiting intellectual property internationally to take full advantage of emerging markets - with particular focus on the ability to deal with the problem of illegal downloading and copyright infringement.

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

Sales and marketing: being particularly important in Commercial Radio and an emerging need in other sectors.

Diagonal thinking: the ability to tell great stories, then know how to monetise those stories to the best effect utilising media that cross platforms and territories well.

14. In conclusion significant growth within the Creative Media Industries has been a sustained trend over the last decade. Skillset's new research and other sources reveal that the sector is broadly optimistic in its outlook and is looking forward to continued growth. The adequate provision of training continues to be a key issue, in particular for freelancers, given the reliance upon their skills by the sector and to provide re-training opportunities for new adult workers from other related sectors. If the Creative Media Industries are to continue to grow and retain their position as a world leader, strategies for growth will need to acknowledge the atypical characteristics of the creative sector and the skills challenges that it faces.

1. Introduction

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, Fashion, 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.

Within the wider definition of the Creative Industries, the Creative Media Industries are bound by common output in the form of creative content and increasingly the boundaries between these businesses and sectors are becoming blurred. Whilst there are still key distribution platforms including; cinema, TV, books/print Media and online and mobile, companies creating content are doing so in a way that can be used for multiple platforms. The business context is providing an opening of channels for distribution and 'multi-platform content' is key.

The Creative Media sector is synonymous with the Creative Content sector and accounts for 70% of the value and estimated growth potential of the Creative Industries generally in the UK.¹⁵

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

- Has the largest producer of TV and radio content in Europe, with only the US generating more value from TV exports;
- Is also second only to the US in the global film market, with increasing box office receipts: 30 of the top 200 films at the world box office in 2001 – 2007 were based on stories and characters created by British writers, generating £14 billion at the worldwide box office;¹⁶
- Has the largest Publishing industry in Europe;

¹⁵ www.ikt.org.uk/resource/files/2009/11/02/creative%20industries%20strategy.pdf

¹⁶ Statistical Yearbook, UK Film Council 2009.

- Has the largest number of Content for Computer Games studios in Europe and is the fourth largest producer in the world;¹⁷
- Leads the world's ranking for advertising excellence.

1.1 An Overview of Current and Future Skills Priorities

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

1.2 Research and Data

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

This work recognises the limitations of official data sources that rely on Standard Industrial and Standard Occupational Classifications for the Creative Media 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.

¹⁷ Raise the Game, NESTA December 2008

2. What Drives Skills Demand?

2.1 Contribution of the Sector

Skillset estimates that around 506,000¹⁸ people work in Creative Media in England, 89% of the total workforce, a statistic that underlines the sector's overall significance. Annex B provides more detail on the contribution of each sub-sector to this estimated total within the context of the Skillset footprint. It shows that the largest sectors in England in terms of workforce are Publishing with 162,700 people, Advertising with 88,400, Photo Imaging with 40,800, Television with 43,000 and Facilities with 40,900.¹⁹ A further 111,750²⁰ are employed in Creative Media in occupations in other industries.

In the decade to 2006, the Creative Media Industries across the UK enjoyed unprecedented growth. At a UK level however, the recent recession seems to have hit many sub-sectors within the Skillset footprint hard. Noticeably however, the data in Annex B suggests that both Interactive Media and Television have shown substantial employment growth since 2006/07 – although the latter has been shown to have suffered very recently due to recession linked falls in advertising revenue. Recent data suggests that jobs appear to have been lost from the Publishing, Radio and Content for Computer Games sub-sectors in England since 2006/7.²¹

There are an estimated 43,150 Creative Media companies²² (including some sole-traders)²³ and a breakdown by broad sector can be found in Table 1. Across the UK

¹⁸ 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. This figure is higher than that reported in official data sources (see Table 6 in Annex B and the UK Employment and Skills Almanac 2010 which estimate a Creative Media workforce approaching 410,000 in England). 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.

¹⁹ Ibid

²⁰ LFS, ONS July 2009 – June 2010

²¹ Skillset (2009) Employment Census and Labour Force Survey, ONS July 2009 – June 2010.

²² 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).

²³ The IDBR covers businesses in all parts of the economy, missing some very small businesses operating without VAT or PAYE schemes (self employed and those with low turnover and without employees) and some non-profit organisations, representing nearly 99 per cent of UK economic activity.

the vast majority (84%) of companies are small (fewer than 10 people) and just 2% of companies are large (100 people and more).²⁴

Table 1 Company breakdown

Sector	Number of Companies
Television	1,000
Radio	650
Film²⁵	300
Animation	500
Interactive Media	5,950
Content for Computer Games²⁶	200
Other Content Creation (Corporate, Commercials and Pop Promos)	450
Facilities	2,700
Publishing	10,550
Photo Imaging	7,900
Advertising	12,950
Archives & Libraries	100
Total	43,150

NB: Only companies with address details are included in this breakdown so totals could be higher than reported here.

The industry in England is also heavily reliant upon freelance²⁷ workers – which make up around 25% of the Creative Media workforce.²⁸ Overall, 47% of employers in the Creative Media Industries in England reported using freelancers in the last 12 months; this ranged from 82% in Independent Production for TV and Corporate Production to 33% in Photo Imaging.²⁹ Firm size can therefore pose some challenges.

Firstly, in what is now a global economy it can be difficult for smaller or even medium sized companies to keep up to date with technology and market developments to capitalise on globally driven opportunities.³⁰ Indeed perhaps partly in response to this, the global picture in recent years has been one of market concentration with the emergence of large media multinationals (such as Sky and Sony) with broad and ever

²⁴ Skillset (2009) Employment Census and IDBR 2009 (Photo Imaging, Publishing and Advertising).

²⁵ Excludes Cinema Exhibition

²⁶ 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).

²⁷ 'Freelance' = contract of less than 365 days and 'employee' = contract of 365 days or more.

²⁸ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

²⁹ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

³⁰ Creative Industries Technology Strategy 2009-2012

expanding interests across a number of media sectors, genres and platforms.³¹

Secondly, it is known that both freelancers and small companies in relative terms find it more difficult to invest in skills development.³² All this emphasises the important role played by the public sector – working with the industry – to facilitate access to high quality information, advice and education, learning and development provision for the entire Creative Media workforce.

The Creative Media Industries in England is reliant on a wide range of occupations from creative and productive roles through to administration and commercial activities. Table 2 provides a breakdown of employment by occupation in England.

Table 2 Occupational Breakdown - Creative Media Industries in England

Occupational Group – Creative Media and Advertising	Total – Creative Media	Total – Adverti-sing³³	Occupational Group - Publishing	Total
Strategic Management	5%	6%	Managers and Senior Officials	28%
Creative Development	2%	11%	Professional occupations	4%
Production	11%	6%	Associate Professional and Technical	40%
Legal	1%	0%	Administrative and Secretarial	11%
Broadcast Management	3%	0%	Skilled Trades Occupations	3%
Broadcast Engineering and Transmission	3%	0%	Personal Service Occupations	0%
Editorial, Journalism and Sport	5%	0%	Sales and Customer Service Occupations	5%
Content Development	1%	22%	Process Plant and Machine Operatives	2%
Art and Design	9%	9%	Elementary Occupations	6%
Animators	4%	0%	Total Publishing	100%
Costume/Wardrobe	1%	0%		
Make Up & Hairdressing	1%	0%		
Camera/Photography	10%	0%		
Lighting	2%	0%		
Audio/Sound/Music	3%	0%		
Transport	*	0%		
Studio Operations	*	0%		
Technical Development	3%	0%		
Editing	3%	0%		

³¹ For example, Sony (Games, Music and Films); Universal (Music and Films); NewsCorp (Publishing, TV, Film, Interactive Media and Film)

³² www.hm-treasury.gov.uk/leitch_review_index.htm

³³ Occupations mapped to Skillset's Occupational Functional Map.

Laboratories and Imaging Services	5%	0%
Manufacture	1%	0%
Servicing	1%	3%
Retail and Exhibition	11%	0%
Libraries and Archives	2%	2%
Distribution, Sales and Marketing	2%	0%
Business Management	13%	41%
Other	3%	0%
Total Creative Media (excl. Publishing)	100%	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.

NB: Due to data restrictions data for Publishing cannot be disaggregated further.

2.2 Product Market Structure

2.2.1 Overview

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

2.2.2 Innovation

One of the key elements asked of any market structure and associated support systems are the levels of innovation that they can deliver. Creative Media is considered to be one of the UK's most dynamic sectors in terms of innovation and this has been reflected in recent years in impressive growth rates - outperforming UK industry rates as a whole.³⁴ Crucially too, the industry is seen as an essential driver of UK productivity in the recovery from recession.³⁵

Technological advancements lie at the heart of the Creative Media Industries' dynamism in recent years. Indeed it has been argued technological developments

³⁴ Nesta Annual Review February-09, also Creative Industries Technology Strategy 2009-2012

³⁵ Attacking the Recession: How Innovation Can Fight the Downturn, NESTA Discussion Paper, December 2008.

have blurred the boundaries between different Creative Industries sub-sectors. Businesses and markets, which traditionally had little in common, now find themselves facing common challenges.³⁶

The availability and mobility of broadband technology and the interactivity offered by Web 2.0 are just two of the ways that have revolutionised the way individuals consume Creative Media content. The introduction next year of YouView³⁷ will extend media content consumption even further. Crucial to meeting this demand, and therefore central to the success of the Creative Media Industries in England, is the need to recognise that traditional supply side approaches are being superseded by new business models. Traditionally, sector incumbents worked within tightly defined supply chain 'roles'. Businesses whose domain was 'content creation' operated distinctly from others involved in 'distribution' while those in 'retail/dissemination' would operate separately from either. Increasingly however in many sectors this purely linear business model is giving way to a much more inter-woven environment where products or 'created content' are 'consumed' across a variety of outlets and platforms. New business models emphasise an approach where creative content is conceived, published, distributed, advertised and consumed digitally. Moreover, product and market information flows to and from all elements of the model allowing the rapid shaping of new content.

2.2.3 Digital Britain

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

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

³⁶ Creative Industries Technology Strategy 2009-2012

³⁷ 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

- Exploiting the commercial opportunities afforded by digital technology by increasing the number of technology-capable business people, who understand the strategic implications of technology and can maximise its value through innovative approaches that increase productivity and competitiveness;
- Achieving improvements in the IT user skills of individuals across the public, private and voluntary sectors such that skills levels allow exploitation of the new digital technology.³⁸

2.3 Employment Profile

Efforts to support skills developments in the Creative Media Industries in England will be shaped by the employment profile of the workforce. Table 3 presents data on the employment profile of the Creative Media Industries at an England and UK level.

Table 3: Employment Profile for Creative Media Industries in England

Characteristic	England	UK
16-34 years ³⁹	38%	38%
35 years and over ⁴⁰	62%	62%
Female ⁴¹	39%	38%
BAME ⁴²	7%	7%
Disabled ⁴³	9%	9%
Graduates ⁴⁴	60%	60%
Freelance ⁴⁵	25%	25%

The data suggests that the Creative Media Industries in England are characterised by:

³⁸ e-Skills UK, Skillset & Creative and Cultural Skills (2009), Strategic Skills Assessment for the Digital Economy.

³⁹ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

⁴⁰ Ibid

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

⁴² Ibid

⁴³ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

⁴⁴ Ibid

⁴⁵ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

- A middle-aged and older workforce: 38% of the Creative Media workforce in England are aged 16-34⁴⁶, 40% 35-49 and 21% 50 years or over. This is particularly true in Photo Imaging where some 73% of the workforce is 35 and over, Publishing where 66% are 35 and over and Advertising where 61% are 35 and over. In Film Production and the Audio Visual sectors the figures are 58% and 56% respectively.⁴⁷ Given the informal nature of much recruitment into the sector the danger is that a cohort of experienced workers will soon come to retirement at the same time and the new supply of workers will not have the knowledge and skills to replace them. For an industry whose worth is based on the perceived quality of its output that is a major risk.
- Relatively low female, BAME and disabled percentages: Representation of women in Creative Media in England is lower than across the UK economy as a whole (39%⁴⁸ compared with 47%).⁴⁹ Again variations by sector are likely to be considerable: representation of women in the Publishing sector is much higher (47%) than in the Audio Visual sector (28%).⁵⁰ Skillset has shown at the UK level a trend of falling female participation generally in the sector (which runs counter to trends in the wider UK economy). Further research suggests that the representation of older women may be lower still and notes as an explanation difficulties in balancing the long and unpredictable hours with raising a family.⁵¹

Across the UK and England, fewer work in the Creative Media Industries from a Black, Asian or Minority Ethnic Background (BAME) than within the economy as a whole (7%⁵² compared to 9%). It should be noted that 31% of London's workforce is from a BAME background, which is where a third of those working in the Creative

⁴⁶ 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 UK 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).

⁴⁷ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

⁴⁸ 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 UK workforce as reported in the UK Employment and Skills Almanac 2010).

⁴⁹ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

⁵⁰ Publishing is LFS July 2009 – June 2010 and Audio Visual is Skillset (2009) Employment Census.

⁵¹ Skillset (2006) Balancing Children and Work in the Creative Media Industries

⁵² 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 UK workforce as reported in the UK Employment and Skills Almanac 2010).

Media Industries are based.⁵³ Across England, BAME representation is highest in Advertising (12%) and Film Production (10%), while representation is lower in Audio Visual sectors (7%), Photo Imaging and Publishing (both 5%).⁵⁴

Table 3 shows that 9% of the English Creative Media workforce consider themselves to be disabled (as defined by the Disability Discrimination Act) below the UK economy as a whole (14% - including both DDA disabled and work-limiting disabled).⁵⁵ Representation in Photo Imaging (16%) is higher, whilst representation in Film Production sectors is particularly low (3%).⁵⁶

- A highly qualified workforce: 60%⁵⁷ of the English Creative Media workforce was found to have reached at least the graduate/level 4 qualification. This compares positively with the 36% of the population of working age that have attained that level across the UK economy as a whole.⁵⁸ The figure is particularly high for the Audio Visual sectors at 73%.⁵⁹
- A strong reliance on freelance and cross sector workers: A quarter (25%) of the UK and England Creative Media workforce is freelance.⁶⁰ This though may be a conservative estimate since the full implications of the recession on freelancing (e.g. via enforced freelancing) are not yet fully understood and will be explored further in Skillset's 2011 Creative Media Employer Survey. Many sectors of Creative Media are characterised by higher still levels of freelancing, especially those areas most closely involved in the production process for example Film Production (92%), Photo Imaging (67%), Independent Production for Radio (63%) and Independent Production for TV (44%).⁶¹ Amongst employees in the UK's

⁵³ Creative Media: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010; All UK: LFS July 2009 – June 2010

⁵⁴ Ibid

⁵⁵ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010; All UK: LFS July 2009 – June 2010

⁵⁶ Photo Imaging: LFS July 2009 – June 2010 and Film Production: Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

⁵⁷ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 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 UK workforce have a degree or equivalent level 4 qualification as reported in the UK Employment and Skills Almanac 2010).

⁵⁸ LFS July 2009 – June 2010

⁵⁹ Skillset (2008) Creative Media Workforce Survey

⁶⁰ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010

⁶¹ Ibid

Creative Media Industries, four fifths are employed on a full time basis and one fifth part time.⁶²

- Changes in employer demand for freelancers over the past year were explored in Skillset's (2010) Creative Media Employer Survey. Interestingly three in ten (30%) employers in England stated that their company's requirement for freelancers had *increased* over the last 12 months. A further 46% said that their need had not changed in the past 12 months and 22% said that their need had *decreased*. Employers from the Animation (42%), Independent TV Production (40%), Interactive Media and Film Production (both 37%) sectors were most likely to have experienced an *increase* in demand. Conversely those working in Other Content Creation (Corporate Production, Commercials and Pop Promos) (40%), Newspaper Publishing (33%) and Photo Imaging (31%) were most likely to have experienced a decrease.⁶³
- In addition, 23% of employers in England believed their company's requirement for freelancers would *increase* over the next 12 months, 66% believed it would *stay the same* and just 5% believed it would *decrease*. Employers from the Film Production (51%) and Independent TV Production (38%) sectors were most likely to anticipate an increase with Broadcast Radio (8%) the least likely.⁶⁴
- Similarly, many in the workforce use their skills across a number of sub-sectors. This is particularly pronounced in Outside Broadcast, Corporate Production, Post Production and Animation.⁶⁵
- The average income within the Creative Media Industries workforce across the UK is £32,300 (varying from over £37,000 in Terrestrial TV and Computer Games down to £12,400 in Cinema Exhibition).⁶⁶ The average for the Film Production workforce is similar at £33,700.⁶⁷ Within the Creative Media sector the average earned by employees is significantly higher than that earned by freelancers - £33,300

⁶² 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.

⁶³ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

⁶⁴ Ibid

⁶⁵ Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging, Publishing and Advertising.

⁶⁶ Skillset (2008) Creative Media Workforce Survey. Excludes Photo Imaging, Publishing, Film Production and Advertising.

⁶⁷ Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. Average income from all audio visual work.

compared with £29,450.⁶⁸ 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 £25,900.⁶⁹ This is unsurprising given the high proportion of graduates in the Creative Media Industries.

2.4 Recruitment at Entry Level Onwards

Approaching half (46%) of Creative Media employers in England have actually taken on new employees or short-term contracted staff over the past 12 months. The majority of these employers (69%) had actually taken on freelancers, with 29% taking on employees and just 2% taking on both. Television (73%), Content for Computer Games (72%), Broadcast Radio (70%), and Animation (68%) employers are the most likely to have recruited in the past year. Photo Imaging (26%) employers are the least likely to have been able to recruit during this time.⁷⁰

Surprisingly, of those employers to have recruited in the last 12 months, just 28% recruited from other Creative Media Industries compared to 41% that recruited from outside of the Industries. However, recruitment from within Creative Media was highest in Broadcast Radio (66%), TV Broadcasting (58%) and Film Production (56%) illustrating the greater crossover between these sectors.⁷¹

A significant proportion (44%) of Creative Media employers have recruited direct from education in the last 12 months. Employers within TV Broadcasting and Film Production (both 62%), TV Production and Other Content Creation (both 59%), Book Publishing (55%) and Broadcast Radio (53%) were most likely to have recruited direct from education in the last 12 months compared to just 25% in Other Publishing.⁷²

Most sectors of the industry have long been characterised by highly motivated individuals wanting to work in an industry 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'⁷³) including 554,900 in England, whilst over 757,000 were studying Skillset relevant

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

⁶⁹ Annual Survey of Hours and Earnings, ONS (2010)

⁷⁰ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

⁷¹ Ibid

⁷² Ibid

⁷³ 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.

courses at UK HE institutions, including 647,600 in England.⁷⁴ In terms of outcomes, 10% of all Skillset relevant students who have gained employment 6 months after graduating have done so within Skillset industries.⁷⁵ It should nevertheless be noted that Skillset relevant students make up over half (51%) of all the students to be subsequently employed in a Skillset industry, indicating that Skillset relevant students are more likely to find employment in Skillset industries than those studying non-Skillset relevant courses.⁷⁶

One result of this demand from individuals wanting to work in the sector is that a high percentage of new entrants are undertaking voluntary (unpaid) work as a means of gaining a foothold in the industry: 45% of the UK workforce (and 43% of the 16-24 year old UK workforce) surveyed had undertaken unpaid work at some time in their career. In some sectors like Content Creation and Independent TV Production the percentage figure is much higher.⁷⁷

High levels of unpaid work may partly reflect the inherent culture of the industry. The Skillset (2008) Creative Media Workforce Survey found that only a third of new entrants entered the industry via formal recruitment processes such as job adverts or recruitment agencies. Ad hoc or informal methods like 'word of mouth' and via 'friends and family' formed the majority of approaches. Over two fifths (44%) of Creative Media employers in England have actually recruited direct from education in the last 12 months.⁷⁸

Nevertheless some Creative Media sectors do have recognised skills shortages. England based employers reported that skills shortages exist in occupations like Distribution, Sales & Marketing (40%), Technical Development (27%), Art and Design (19%) and Business Management (13%).⁷⁹ A lack of information on the range of occupational roles may be a contributing factor. Across the Creative Media Industries

⁷⁴ 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.

⁷⁵ 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.

⁷⁶ DLHE Survey, HESA 2007/08 from 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.

⁷⁷ Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging, Publishing and Advertising.

⁷⁸ Ibid

⁷⁹ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

in England, employers report that skills in short supply from new entrants include sales and marketing skills (30% of employers), leadership and management (26%), multi-skilling (22%), and using sector specific software packages such as Photoshop, Avid and Final Cut Pro (20%).⁸⁰ This despite a marginal increase in the proportion of the Creative Media workforce receiving structured careers advice - 28% in 2005 (9% receiving advice from Skillset) compared to 29% in 2008 (with 12% receiving advice from Skillset).⁸¹ 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.

Research does suggest that both women and BAMEs within the workforce are more likely than men and white people, respectively, to have undertaken unpaid work.⁸²

2.5 Retention

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

Skillset's (2010) Creative Media Employer Survey found that of the England based employers who have recruited in the last 12 months, 28% recruited from other Creative Media Industries and 41% 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 *et cetera*) by presenting a strong career path built around continuing professional/skill developments. Many though remain sceptical. Learning or developing staff means lost productivity in the short term, it requires replacements to cover their duties, and runs the risk that the

⁸⁰ Ibid

⁸¹ Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging, Publishing and Advertising.

⁸² Ibid

employee will leave the industry anyway (indeed armed with new skills and qualifications the employee may be more attractive to other sectors).

New technology and in particular the 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 by accrediting providers that meet Skillset's required standards.

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 England 39% and 62% respectively had received learning or development in the past 12 months⁸³, whilst 45% of employers provide learning and development for employees but 40% of these employers do not make the learning and development they provide available to freelancers⁸⁴). 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.

2.6 The Economic Situation

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 (18%) of employers in England said that their requirement had *decreased*. However, a similar proportion (19%) had actually experienced an *increase*, with the majority (61%) experiencing no change.⁸⁵

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 three in ten (30%) employers in England stating that their company's requirement for freelancers had *increased* over the last 12 months. A further 46% said that their need had not changed in the past 12 months and 22% said that their need had

⁸³ 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.

⁸⁴ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

⁸⁵ Ibid

decreased.⁸⁶ Looking to the future, 23% of Creative Media employers in England believed their company's requirement for freelancers would *increase* over the next 12 months, 66% believed it would *stay the same* and just 5% thought it would *decrease*.⁸⁷

In terms of effects on learning and development, just 12% of Creative Media employers in England reduced their budget for learning and development over the last year. For 64% of employers the budget remained unchanged, but 16% have actually seen an increase in it.⁸⁸

However, amongst the 47% of employers 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 54% of employers). A further 40% do not have enough time.⁸⁹ Despite a minority of employers having to reduce their learning and development budget there is clearly more that they would like to be able to do.

Positively, employers 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'.⁹⁰

2.7 Opportunities and Challenges

Globalisation offers significant opportunities for the Creative Media Industries. In summary these are:

- Growing potential markets for UK-produced content in all formats, across all media;
- An increasing range of foreign competitors with access to the UK market;
- Increasing potential for sourcing services from the UK to overseas ('off shoring').

In all three cases, it is the emerging economies of India and China that will have greatest impact on the UK industry. The growing populations of both countries will help to ensure that they maintain their emerging roles as both suppliers and markets: by

⁸⁶ Ibid

⁸⁷ Ibid

⁸⁸ Ibid

⁸⁹ Ibid

⁹⁰ Ibid

2010, India had added 83 million workers to the global economy, China 56 million, and the EU just 100,000.⁹¹ Crucially this is leading to the globalisation of high level skills, with massive increases in the global supply of highly educated workers able to compete on price as well as knowledge. China for example now has more people in higher education than the United States.⁹² These figures reflect the coming size and shape not only of the labour market, but also the media content market. However, it is currently expected that successfully entering the Chinese market in particular will require both patience and precision, not least as income levels will prohibit consumption of content on a Western scale, even as GDP and average earnings continue their steady increase. The current orthodoxy is to treat China and India as key suppliers in the short term and key markets only in the longer term.

Perhaps of more concern to the UK's Creative Media is the use by different governments of tax breaks and other fiscal incentives to lure producers to site their operations away from the UK. Clearly with global opportunities comes the threat of genuinely 'footloose' international sectors, such as much of the Creative Media sector. Government support and encouragement is thus vital for these sectors to remain indigenous and competitive. Both Canada and Malaysia for example offer their Computer Games industries tax breaks as does the UK for Film makers wanting to make films in the UK. The debate around the treatment of tax breaks for the UK Computer Games industry is subject to considerable current political controversy as the Coalition Government reviews their position.

The economic dividend of doing so is substantial as recent European research confirms that those regions with high concentrations of creative and cultural industries have Europe's highest prosperity levels.⁹³

⁹¹ Deloitte 200

⁹² Brown, P. et al (2010 'Skills are not enough: the globalisation of knowledge and the future UK economy' Praxis, No 4, Vol 10.

⁹³ European Cluster Observatory (2010) 'Priority Sector Report: Creative and Cultural Industries

3. Current Skills Needs

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

3.1 Overview of Skills in the Sector

The Creative Media Industries in England are characterised by a highly qualified workforce, with 60% of the workforce in possession of a degree level qualification.⁹⁴ Furthermore, a quarter of the workforce (24%) hold a postgraduate qualification.⁹⁵

Over half (55%) of the Creative Media workforce in England had participated in learning or development during the preceding 12 months.⁹⁶ Demand for learning and development remains high, with 52% of the workforce indicating that they have a current learning or development requirement.⁹⁷

Labour Force Survey (2009) data reported in the UK Employment and Skills Almanac 2010 shows that 10% of the UK Creative Media workforce had received training in the 4 week period preceding the survey. This increased to 21% when the period was extended to the last 13 weeks before the survey.⁹⁸

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 17% of Creative Media employers in England have a plan that specifies the type and level of learning and development that their company will invest in over the coming year. In terms of budget, 12% of Creative Media employers in England had to reduce their budget for learning and development over the last year. For 64% of employers the budget remained unchanged, with 16% actually seeing an increase in it.⁹⁹

⁹⁴ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS Jul 2009 - Jun 2010.

⁹⁵ 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.

⁹⁶ Ibid - This figure corresponds with data from the National Employer Skills Survey 2007 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.

⁹⁷ Ibid

⁹⁸ As outlined in Annex B these figures exclude many of those working in Interactive Media, Content for Computer Games, Facilities and freelancers.

⁹⁹ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

Over the last 12 months half (45%) of employers have funded or arranged any learning or development for their workforce. Unfortunately of those employers who do provide learning or development, 40% do not extend provision to freelancers.¹⁰⁰

Within those companies 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 (68%). 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 (58% and 53% respectively) and books and other printed materials (51%). Interestingly, just 38% of employers had funded or arranged learning and development delivered through internet based/online resources.¹⁰¹ It is clear that on-line learning is an area with high growth potential and some employers such as the BBC are investing heavily in this area.

National Employer Skills Survey (2007) data reported in the UK Employment and Skills Almanac 2010 shows that Creative Media and Fashion and Textiles employers in England spent a total of £346 million on training in the preceding 12 months.¹⁰²

Skills Shortages

Despite the high number of potential 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.¹⁰³ In fact, recent evidence reveals that half of employers state they do not value formal qualifications.¹⁰⁴ This might be attributable to a perception among employers that qualifications do not necessarily make new recruits to the sector 'job ready'.

¹⁰⁰ Ibid

¹⁰¹ Ibid

¹⁰² As outlined in Annex B NESS data excludes many of those working in Interactive Media, Content for Computer Games and Facilities. Figures for Fashion and Textiles can not be disaggregated from those for Creative Media.

¹⁰³ Skillset's employer and stakeholder qualitative framework 2010

¹⁰⁴ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising. 50% of employers reported that they do not value formal qualifications.

Across the Creative Media Industries in England, employers report that skills in short supply from new entrants include sales and marketing skills (30% of employers), leadership and management (26%), multi-skilling (22%), and using sector specific software packages such as Photoshop, Avid and Final Cut Pro (20%).¹⁰⁵

Skillset's (2010) Creative Media Employer Survey reports that 15% of employers in England's Creative Media Industries have current vacancies. Of these employers, 46% reported vacancies that are hard to fill. This equates to 7% of all Creative Media employers in England. These hard to fill vacancies were most frequently based in occupations like Distribution, Sales & Marketing (40%), Technical Development (27%), Art and Design (19%) and Business Management (13%).

The National Employer Skills Survey 2009 adds further detail, reporting that in England there were some 7,500 vacancies amongst Creative Media and Fashion and Textiles employers at the time of the survey, around a third of which were in Associate Professional and Technical occupations (2,500) and a fifth each in Sales and Customer Service (1,300) and Administrative and Secretarial (1,200). This amounts to vacancies within 10% of all establishments across Creative Media and Fashion and Textiles (compared to 12% of all establishments in England). The Skillset sourced figure of 15% of employers having vacancies is preferred due to the limitations of Creative Media data extracted from NESS.¹⁰⁶ The survey also shows that just over a fifth of the vacancies reported by employers in England were hard to fill (1,700 in total). This equates to 3% of all employers but again the Skillset figure is preferred due to limitations in scope of NESS data.¹⁰⁷ Approximately 1,200 of these hard to fill vacancies were perceived to be due to skills shortages (2% of establishments) and the main skills found difficult to obtain were technical, practical or job specific skills (71% of skills shortage vacancies), customer handling skills (45%) and written communication skills (44%).¹⁰⁸

The majority of employers with hard to fill vacancies in Skillset's (2010) Creative Media Employer Survey went on to report that this was due to applicants lacking the skills or talent the company demands (83%), a low number of applicants with the required attitude, motivation or personality (67%) or applicants lacking the relevant work

¹⁰⁵ Ibid

¹⁰⁶ NESS 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. Figures for Fashion and Textiles are also aggregated with Creative Media in the total.

¹⁰⁷ Ibid

¹⁰⁸ Ibid

experience (66%). Less than a fifth identified an applicant's lack of relevant qualifications as a reason (17%).¹⁰⁹

In response to these hard to fill vacancies employers were most commonly using new recruitment methods/channels or increasing advertising/recruitment spend.¹¹⁰

In the Creative Media Industries in England, the most common areas of learning and development provided by employers in the past 12 months are related to using sector specific software packages such as Photoshop, Avid and Final Cut Pro (47% of employers). Other common areas of learning and development provided include technical skills – commonly computer programming and usage (43%), sales and marketing (36%) and leadership and management (30%).¹¹¹

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.¹¹²

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.¹¹³

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

¹⁰⁹ Ibid

¹¹⁰ Ibid

¹¹¹ Ibid

¹¹² 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 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.

¹¹³ 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.

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

A quarter (25%)¹¹⁴ of employers in the Creative Media Industries in England report a skills gap amongst their current workforce. Of these employers 49% reported a skills gap amongst their employees, 11% amongst the freelancers they use and 40% amongst both employees and freelancers. The occupation in which a skills gap is most likely to exist amongst employees is distribution, sales and marketing (24% of employers). Other common areas of skills gaps are technical development, strategic management, production and art and design. Skills gaps exist in very similar occupations amongst freelancers.¹¹⁵

For three quarters of Creative Media employers in England, sales and marketing was the most common skills gap area amongst their employees (58%). This was followed by technical skills (45%) including a common specific mention of computer programming and usage, using sector specific software packages such as Photoshop, Avid and Final Cut Pro (41%) and leadership and management (39%).¹¹⁶

Employers most commonly reported three areas of skills gaps amongst freelancers: technical skills – computer programming and web/internet design/development getting many specific mentions (33%), using sector specific software packages such as Photoshop, Avid and Final Cut Pro, and sales and marketing (both 32%).¹¹⁷

A quarter (24%) of Creative Media employers in England attributed the skills gaps they currently had to the lack of experience of recently recruited staff. A further 20% cited each of the inability of the workforce to keep up with change and a failure to train and develop staff.¹¹⁸

¹¹⁴ 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).

¹¹⁵ Ibid

¹¹⁶ Ibid

¹¹⁷ Ibid

¹¹⁸ Ibid

Skills gaps had various effects on the companies experiencing them including delaying the development of new products/services (61% of employers in England), causing companies to outsource work they would prefer to keep in-house (48%), increasing operating costs (47%) and the actual loss of business to competitors (43%). However, seven in ten (72%) employers have taken actions to address the skills gaps they're experiencing. The actions most commonly taken are skilling up the existing workforce (69% of employers) and increasing or expanding trainee programmes (56%).¹¹⁹

3.2 Television

Overview

Television is a major sector within the Creative Media Industries in England. An estimated 43,000 people¹²⁰ work in over 1,000 TV businesses in England.¹²¹

The BBC is the largest employer and producer of all the Public Service Broadcasters (PSBs). Overall, 27% of the TV sector in England works freelance (though figures vary from 44% in Independent Production to 11% in Cable and Satellite TV).¹²² The sector also draws on the Facilities and Animation sector for support. Overall 40% of the English TV workforce is female and 10% from a BAME background. This rises to 48% of the workforce in Terrestrial TV being women and 12% of the workforce in Cable and Satellite being BAME.¹²³

Around two thirds of the TV industry workforce (66%) is based in London, but there are creative clusters in cities around the UK. The North West is the second largest centre of activity, with 10% of the workforce, but there are both broadcasting and production companies in Glasgow, Cardiff, Bristol, Birmingham, Leeds and Liverpool, among others.

A recent study carried out by NESTA maps the UK's creative clusters and shows that a large number of 'Television and Radio' (combined) firms are based around London, Manchester, Bristol, and outside of England Cardiff and Glasgow. There is a significant presence in the South West of London. On a more local level additional 'creative

¹¹⁹ Ibid

¹²⁰ Skillset (2009) Employment Census

¹²¹ 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.

¹²² Skillset (2009) Employment Census

¹²³ Ibid

agglomerations' are concentrated in London and its surrounding areas (Wycombe and Slough), Brighton, Bristol, Cardiff and the North of Wales and Scotland.¹²⁴

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

These include:

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

Demand for learning and development by the TV sector workforce across the UK, according to respondents to the Skillset 2008 Creative Media Workforce Survey in the three main sub-sectors, remained high at more than 50% of respondents but down on the more than 60% in 2005. The most requested learning and development was in 'editing' (11% of respondents), software specific to the industry (16%), production (10%) and camera (8%). England's Television sector workforce will almost certainly mirror these proportions.¹²⁵

Supply

In HE: 6,020 TV-relevant courses¹²⁶ exist across the UK and these courses were being studied by 125,152 students¹²⁷ in 2008/09. An above average proportion of these learners are female (59%), whilst 10% are BAME and 14% had an identified disability. In 2008/09 40,193 individuals attained a TV related qualification (consisting of 7,423 Postgraduate, 27,504 first degrees, 1,382 foundation degrees and 3,883 other undergraduate qualifications).¹²⁸

¹²⁴ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

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

¹²⁶ See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

¹²⁷ The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

¹²⁸ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

In FE: we have identified 756 learning aims¹²⁹ that are in some way relevant to the TV sector and these account for 312,448 learners in England in 2008/09 (second only to Film in the Creative Media Industries). 45% of these learners are female, 14% are BAME and 12% had an identified disability.¹³⁰

In the private sector: Of the 25 providers supplying usable information regarding provision to the TV sector a total of 560 courses were identified. These courses most commonly covered Broadcast Journalism, TV Writing and Project Management (specific to Management and Leadership). Specific skills covered commonly included TV Pitching Skills, Creative Development and Post Production Workflows.

Skills Shortages

Three in ten (29%) of TV employers have current vacancies, and of these employers 24% report having hard to fill vacancies and hence skills shortages (lower than the Creative Media employer average across England of 46%).¹³¹ The occupation in which these skills shortages exist most commonly is Production.

TV employers in England also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are leadership and management (32%), skills in using sector specific software packages (21%), multi-skilling (20%), creative talent and finance skills (both 18%).¹³²

Other evidence also highlights specific shortages in the following areas:

- A shortage of skills in special effects generation (which is also a problem in the context of the film sub-sector);
- A shortage of leadership and management skills within independent production companies cited as a learning and development need by 14% of the workforce;¹³³

¹²⁹ We have used a subject-led approach to define learning activity, based on the Learning Aim classification system used for FE provision. Therefore Learning Aims do not always represent explicit courses, but rather cover a learning activity that a learner will undertake to complete, or contribute to the completion, of a specific qualification. As with JACS codes in HE, we have identified Learning Aims relevant to Skillset sectors and a single learning aim may have relevance to a number of key sectors.

¹³⁰ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

¹³¹ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

¹³² Ibid

¹³³ Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging, Publishing and Advertising.

- A shortage in higher level business skills including management and leadership amongst senior executives (e.g. in securing multi strand funding packages and brand sponsorship for commercial TV projects);
- A shortage in entrepreneurial skills (and confidence) both in terms of those employed at various levels within the industry, and also amongst freelancers, particularly those who may have been forced to take this route as a result of redundancy.¹³⁴

Current Skills Gaps

Over a quarter (27%) of TV employers in England report a skills gap within their current workforce, only slightly higher than the English Creative Media average (25%).¹³⁵

More than half of TV employers highlighted sales and marketing (53%) and leadership and management (52%) as broad areas in which skills gaps exist amongst employees. Creative talent (38%) and technical skills (30%) were also highlighted as skills gap areas. Within the broad category of ‘technical skills’ – editing and computer programming were the most common specific areas of skills gaps. Amongst freelancers areas of skills gaps are very similar.

Skills gaps amongst their current workforce were most frequently associated with strategic management and production (both 34%) roles for employees and production (51%) roles for freelancers.¹³⁶

Three fifths (60%) of TV employers in England fund or arrange learning or development for staff (varying from 67% of those in Broadcast TV to 56% in Independent Production), compared to 45% of employers across all Creative Media employers. Three quarters (77%) of TV employers who use freelancers also extend learning and development opportunities to them.¹³⁷

Furthermore, other evidence direct from the workforce shows that:

- Learning or development undertaken focused heavily on meeting compliance and regulatory obligations such as health and safety and child protection. Over half (55%) of the UK TV workforce had received some learning and development. This

¹³⁴ Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTSR (May 2009)

¹³⁵ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

¹³⁶ Ibid

¹³⁷ Ibid

varied from two thirds (64%) of the Broadcast TV workforce, to 53% of the Cable and Satellite workforce and 48% of the Independent Production workforce. Two thirds (64%) of permanent employees working in the TV industry had received some learning and development compared to just 37% of freelancers.¹³⁸

- On average the UK TV workforce received 5.1 days learning and development. Individuals working in Independent Production received the greatest number of days on average (5.5 days) compared with an average of 4.9 days for both the Cable and Satellite and Terrestrial TV workforce. Freelancers received an average of 3.7 days, compared to the 5.9 days received by employees.¹³⁹
- The UK TV workforce were most likely to have received learning and development in health and safety (19%), specific software applications (16%), editing (14%), camera (11%), production (10%) and ethics/safeguarding trust (9%).¹⁴⁰
- Employers noted a need for higher level technical skills for assistant producers for example and broader transferable skills ('T-skills') particularly in relation to core business and entrepreneurial skills.¹⁴¹

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly TV employers in England predicted that there would be gaps in a wide variety of broad skills areas: Technical skills (mentioned by 31% of TV employers), skills to develop content for multiple platforms (30%), multi-skilling (30%), leadership and management (28%), sales and marketing (25%), creative talent (25%) and skills in using sector specific software packages (25%).

Within the broad category of 'technical skills', TV employers were most likely to specifically mention TV/Video production (13%), editing (11%) and camera skills (8%). Likewise within 'skills to develop content for multiple platforms' there were a huge variety of specific potential future skills gaps mentioned, the most common relating to general computer skills (predicted by 10% of TV employers in England).

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

¹³⁸ Skillset (2008) Creative Media Workforce Survey.

¹³⁹ Ibid

¹⁴⁰ Ibid

¹⁴¹ Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTRC (May 2009)

- Programme innovation;
- Deal structuring;
- Cross media ownership;
- IP issues;
- Extended scheduling skills;
- Diagonal thinking across creativity and entrepreneurialism;
- Multi-platform awareness.

The skills will be most needed in commissioning, scheduling, transmission and distribution, followed by production and post production, and lastly concept development. All skills will need to be applied across a variety of output platforms.¹⁴²

The introduction of YouView next year is particularly likely to create related skills needs around the production of content for multiple-platforms.¹⁴³ Underpinning these skills areas, high quality management skills will also increasingly be in demand, including:

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

Finally, technical expertise will continue to be highly important as digitisation continues to increase the technical content of the Creative Media Industries processes, products and services.¹⁴⁴

¹⁴² Ibid

¹⁴³ 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

¹⁴⁴ Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTSR (May 2009)

3.3 Film

Overview

The Film sector in England numbers 26,500¹⁴⁵ people within 300 companies¹⁴⁶. The workforce enjoys relatively strong levels of workforce diversity: 40% of the Film Production workforce is female.¹⁴⁷ This despite the reportedly long hours and intensive culture associated with film - with 43% of the sub-sector's workforce across the UK reporting that they worked between 11 and 12 hours a day.¹⁴⁸ There is a 10% representation of BAME groups across the English Film sector (9% in Film Production and 10% in Film Distribution).¹⁴⁹ Around 3% of the English Film Production sub-sector are disabled and 42% of the English workforce is under 35 years of age.¹⁵⁰

A recent study carried out by NESTA maps the UK's creative clusters and shows that a large number of 'Video, Film and Photography' firms are based in London, Manchester, Birmingham, Brighton, Bristol and Glasgow. On a more local level additional 'creative agglomerations' are concentrated in London and its surrounding area (towards Oxford and Guildford, as well as Slough and Wycombe), and Brighton, Bristol and Bath.¹⁵¹

2009 was the year cinema bucked the recession. UK cinema visits of 174 million made 2009 the second highest year for admissions since 1971, while the UK box office grew to a record £944 million. 2009 was also an excellent year overall for film production in the UK, with studios busy with inward investment films such as *Harry Potter and the Deathly Hallows*, *Robin Hood*, *Gulliver's Travels* and *Clash of the Titans*. The UK spend of inward investment films reached £753 million, the highest on record, while the total UK spend of £957 million was, after 2003, the second best year on record. However, within this positive scene, domestic UK films had a tougher time, finding it harder to raise money and lowering their budgets as a result. Co-productions have

¹⁴⁵ Secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and Skillset (2009) Employment Census.

¹⁴⁶ 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.

¹⁴⁷ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey

¹⁴⁸ Although it might be surmised that the long hours are worked for blocks of time associated with film shoots, rather than on an ongoing basis.

¹⁴⁹ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey

¹⁵⁰ Skillset/UK Film Council (2008) Feature Film Production Workforce Survey

¹⁵¹ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

been most affected by changes in the regulatory and economic environment. Only 22 were made in 2009, with a combined UK spend of £35 million.¹⁵²

The nature of the Film Production sector raises concerns surrounding retention. The Film Production sector in England is typical of the sector as a whole with high levels of freelancing – 92%.¹⁵³ 86% of the surveyed English Film Sector workforce stated that they had received no learning and development over the previous year.¹⁵⁴

Supply

In HE: 6,414 Film-relevant courses¹⁵⁵ exist across the UK and these courses were being studied by 128,539 students¹⁵⁶ in 2008/09. An above average proportion of these learners are female (58%), whilst 10% are BAME and 14% had an identified disability. In 2008/09 41,328 individuals attained a Film related qualification (consisting of 7,261 Postgraduate, 28,911 first degrees, 1,400 foundation degrees and 3,755 other undergraduate qualifications).¹⁵⁷

In FE: we have identified 757 learning aims that are in some way relevant to the Film sector and these account for 318,988 learners in England in 2008/09 (the highest of all Creative Media sectors). 45% of these learners are female, 14% are BAME and 12% had an identified disability.¹⁵⁸

In the private sector: Of the 42 providers supplying usable information regarding provision to the Film sector a total of 650 courses were identified. These courses most commonly covered Cinematography, Film Music Copyright and Project Management and Film Leadership Skill Development (specific to Management and Leadership). Specific skills covered commonly included Design Skills for Art Directors, Adobe and Apple Products and Film Archiving.

¹⁵² UK Film Council (2010) Statistical Yearbook

¹⁵³ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

¹⁵⁴ Ibid

¹⁵⁵ See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

¹⁵⁶ The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

¹⁵⁷ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

¹⁵⁸ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

Skills Shortages

Just 16% of Film employers in England reported having vacancies at the time of Skillset's 2010 Creative Media Employer Survey, and very few of these employers had any hard to fill vacancies and hence skills shortages.¹⁵⁹ Those that did have hard to fill vacancies were mainly in Creative Development roles.

Film employers in England highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are leadership and management (46%) and sales and marketing (24%).¹⁶⁰

Data from the Skillset/UK Film Council Feature Film Production Workforce Survey 2008 revealed that First Aid/Health and Safety was the most frequently undertaken learning and development in the English Film Production sub-sector (17% of those undertaking learning and development in the last 12 months). Art/Design stood at 14% and Camera and construction were undertaken by 12% of those receiving some learning and development. Overall, freelancers tended to undertake less learning and development than those permanently employed, though much of this finding can be put down to regulatory/compliance and business administration learning and development being mainly undertaken by permanent workers. For specialist technical areas, the percentages trained were broadly similar.

Of the English Film Production sector 51% stated they needed learning and development in the future. Of these, 19% mentioned they were looking to up-skill on core business skills including management and leadership – (including finance, business skills including management and leadership, marketing and management). Interestingly, the percentage of freelancers requesting learning and development in core business skills including management and leadership was much higher than the percentage that had recently received learning and development this area. Some 16% required learning and development in art/design, 13% camera, 13% general computer/administration skills and 8% technical skills in editing/post production/digital production/visual effects.¹⁶¹

¹⁵⁹ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

¹⁶⁰ Ibid

¹⁶¹ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

Current Skills Gaps

A third (33%) of Film employers in England report a skills gap within their current workforce, which is higher than the English Creative Media average (25%).¹⁶²

Two fifths of Film employers highlighted sales and marketing (43%) an area in which a skills gap exists amongst employees. Skills in using sector specific software packages (36%) and business skills (35%) were also highlighted as skills gap areas. Similar skills gaps were linked to the freelance workforce, with the addition of finance skills and technical skills (most commonly editing and sound).¹⁶³

Skills gaps amongst their current workforce were most frequently associated with business management roles for employees and production roles for freelancers.¹⁶⁴

Over half (55%) of Film employers fund or arrange learning or development for staff, compared to 45% of all Creative Media employers. Just a third (33%) of Film employers who use freelancers extend learning and development opportunities to them.¹⁶⁵

Further research on skills gaps and shortages has revealed that current generic skill needs in the context of the film sub-sector included:¹⁶⁶

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

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Film employers in England predicted that there would be gaps in relation to leadership and management (42%), finance skills (32%), sales and marketing (27%) and skills to develop content for multiple platforms (25%, including 15% specifically mentioning digital broadcasting and digital projection).

¹⁶² Skillset (2010) Creative Media Employer Survey.

¹⁶³ Ibid

¹⁶⁴ Ibid

¹⁶⁵ Ibid

¹⁶⁶ Skillset (2009): Film Sector Employers Skills and Learning and development Needs in Production, Distribution and Exhibition

To compete in the global market and maintain previous inward investment levels, a highly skilled workforce is essential. As HD, digital and 3D technologies are introduced production crew must be re-skilled to understand new work practices.

Other evidence anticipates future skills needs in the following areas:¹⁶⁷

- Shortage of production accountants due to low pay relative to other sectors;
- Development executives with insight and commercial acumen;
- Location managers with up to date knowledge of legal developments;
- Producers with commercial acumen;
- Experienced crew spread throughout the UK;
- Information Management (including market analysis) using ICT;
- Business models for small businesses;
- Film buyers with commercial insight from marketing or audience perspective;
- Fundraising for small businesses;
- Exploiting new business opportunities (corporate events and lets);

It is anticipated that future skill needs within film will centre on developments in new digital technology.¹⁶⁸ Specifically, this will require skills in change management and exploiting opportunities such as online and digital sales as well as dealing with threats such as file sharing. Respondents also noted the need to:

- Keep up to date in camera technology;
- Data management (particularly in relation to the logistics of tracking master materials in digital format);
- Health and safety (especially risk assessment by HoD and Producers);
- Availability of construction and lighting crew (as a result of the Olympic Games in 2012 likely to take up much of this capacity);
- Management level learning and development around new business models

¹⁶⁷ Ibid

¹⁶⁸ Ibid

3.4 Radio

Overview

The Radio industry consists of over 650 organisations, independent stations and other companies.¹⁶⁹ It employs a workforce estimated at 16,450 and England hosts 79% of the Radio workforce.¹⁷⁰

The Radio industry is characterised by a small number of large Radio groups and a large number of smaller groups and independent stations. The BBC, Global Radio and Bauer dominate the landscape of 'traditional' larger businesses and between them now account for a high proportion of the Radio sector workforce. Current trends point towards increasing listening through digital platforms, a shift in balance from public service to Commercial Radio at national level, and growth of Community Radio. The community sector contains a range of non-profit organisations offering radio services to specific communities on a local level. It includes student radio, hospital radio and British Forces Broadcasting Services.

A recent study carried out by NESTA maps the UK's creative clusters and shows that a large number of 'Television and Radio' (combined) firms are based around London, Manchester, Bristol, and outside of England Cardiff and Glasgow. There is a significant presence in the South West of London. On a more local level additional 'creative agglomerations' are concentrated in London and its surrounding areas (Wycombe and Slough), Brighton, Bristol, Cardiff and the North of Wales and Scotland.¹⁷¹

The sector's employment profile in England shows a more diverse workforce than that found in other parts of the Creative Media sector with the second highest ratio of female workers after Publishing (45% - though that falls to just 30% in the Independent sector). Approaching one in ten (8%) of the Radio workforce are BAME. Overall, 17% of the workforce is freelance, but substantially more in Independent Production (63%).¹⁷²

Key developments and trends in the UK Radio market include:

¹⁶⁹ 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.

¹⁷⁰ Skillset (2009) Employment Census

¹⁷¹ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

¹⁷² Ibid

- 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 2003.¹⁷³
- Increased use of Digital technology: Recommendations in Digital Britain report are for an analogue to digital 'migration' of the majority of radio services in the UK by 2015.¹⁷⁴ 30% of UK households were thought to have DAB Digital radio in 2008 compared to 2% in 2003.¹⁷⁵
- Increased demand for multi-platform output and content: A third of adults had listened to radio online, according to the RAJAR internet and audio services survey carried out in May 2009. This was up from 29% a year earlier and 24% 18 months ago.

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

Supply

In HE: 3,266 Radio-relevant courses¹⁷⁶ exist across the UK and these courses were being studied by 60,564 students¹⁷⁷ in 2008/09. An above average proportion of these learners are female (51%), whilst 10% are BAME and 12% had an identified disability. In 2008/09 18,715 individuals attained a Radio related qualification (consisting of 3,437

¹⁷³ OFCOM (2008) The Communications Market: Radio

¹⁷⁴ Ibid

¹⁷⁵ Ibid

¹⁷⁶ See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

¹⁷⁷ The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

Postgraduate, 12,785 first degrees, 477 foundation degrees and 2,045 other undergraduate qualifications).¹⁷⁸

In FE: we have identified 502 learning aims that are in some way relevant to the Radio sector and these account for 208,566 learners in England in 2008/09. 23% of these learners are female, 15% are BAME and 10% had an identified disability.¹⁷⁹

In the private sector: Of the 11 providers supplying usable information regarding provision to the Radio sector the courses most commonly covered were: Writing for Radio and Compliance in a Radio Environment. Specific skills covered commonly included Radio Post-Production and News and Speech in a Radio Environment.

Skills Shortages

A third (33%) of Radio employers have current vacancies, and of these employers 33% report having hard to fill vacancies and hence skills shortages (lower than the Creative Media employer average across England of 46%).¹⁸⁰ The occupations in which these skills shortages exist most commonly are distribution, sales and marketing, performers and editorial, journalism and sport.

Radio employers in England also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are leadership and management (42%), sales and marketing (37%), finance skills (26%) and multi-skilling (26%).¹⁸¹

Other evidence indicates that craft skills remain a high priority for the sector especially in the field of digital content. T-skills are in short supply with people who are technically expert but also in possession of strong creative skills and communication skills such as teamwork. Entrepreneurialism, management and general business acumen is still lacking in much of the sector. In particular having managers who can coordinate many

¹⁷⁸ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

¹⁷⁹ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

¹⁸⁰ Skillset (2010) Creative Media Employer Survey

¹⁸¹ Ibid

functions and understand all of them. Finally sales and marketing skills are missing at a sufficiently high level across much of the sector.¹⁸²

Current Skills Gaps

A third (33%) of Radio employers in England report a skills gap within their current workforce, higher than the English Creative Media average (25%).¹⁸³

More than half of Radio employers highlighted sales and marketing (59%) and leadership and management (51%) as broad areas in which skills gaps exist amongst employees. Business skills (39%), finance skills (37%) and multi-skilling (37%) were also highlighted as skills gap areas. Amongst freelancers skills gaps are very similar with the addition of production and technical skills (including editing and sound).¹⁸⁴

Skills gaps amongst their current workforce were most frequently associated with distribution, sales and marketing roles for both employees and freelancers.¹⁸⁵

Two-thirds (67%) of Radio employers fund or arrange learning or development for staff (varying from 77% of those in Broadcast Radio to 61% in Community/Voluntary Radio), compared to 45% of employers across all Creative Media employers. Four fifths (79%) of Radio employers who use freelancers also extend learning and development opportunities to them.¹⁸⁶

Overall, 51% of the UK Radio workforce were thought to have unmet learning and development needs. Areas of training most commonly cited by the Radio workforce are production (18%), journalism/presenting (15%), management and leadership (14%), on-line/web design/interactive media/electronic games (12%), editing (11%) and specific software (11%).¹⁸⁷ Even in Radio the need for multi-platform skills were expressed in Skillset's qualitative research conducted in October 2010.

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. The most common future skills gap predicted by Radio employers in England is sales and marketing (mentioned by 40% of employers).

¹⁸² Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTSSR (May 2009)

¹⁸³ Skillset (2010) Creative Media Employer Survey.

¹⁸⁴ Ibid

¹⁸⁵ Ibid

¹⁸⁶ Ibid

¹⁸⁷ Skillset (2010) Creative Media Workforce Survey.

Leadership and management (28%), skills to develop content for multiple platforms (24%), multi-skilling (23%), and creative talent (23%) were also common.

Within 'skills to develop content for multiple platforms' there were a huge variety of specific potential future skills gaps mentioned, the most common relating to online and social media publishing or content distribution (predicted by 9% of Radio employers in England).

3.5 Animation

Overview

Animation is a strong sector within the Creative Media Industries with Nick Park's Aardman Animations trailblazing a global reputation for the quality and craftsmanship of UK animators in recent years. The Animation sector employs around 3,400 people in England of which 45% are freelance, 16% female and only 2% from a BAME background.¹⁸⁸ The Animation workforce has 20% of the total UK workforce in London. However the greatest concentration is in the South East which has 38% of the total UK workforce. In all England hosts 79% of the Animation workforce.¹⁸⁹ England is also home to approximately 500 Animation businesses.¹⁹⁰

Whilst many will think of Aardman Animation as being the quintessential British Animation company (Wallace and Gromit, Sean the Sheep), Animation underpins many other sectors of the Creative Media Industries – hundreds of animators work in VFX companies such as Double Negative, Framestore and MPC within the square mile of Soho; or within large Content for Computer Games companies across the UK. However, the sector's reliance on other Creative Media Industries such as Television, VFX and Games, means it is susceptible to changes in those Industries.¹⁹¹ Furthermore, the UK sector is seeing competition from low cost but increasingly highly

¹⁸⁸ Skillset (2009) Employment Census

¹⁸⁹ Ibid

¹⁹⁰ 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.

¹⁹¹ 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.

quality producing international competitors from countries such as China, Korea and Singapore and from tax-friendly regimes in other countries, notably Canada.¹⁹²

Nevertheless, 2009 was a good year for the UK Animation Industry with 191 hours of Animation worth £102m produced (or co-produced) by British Companies, more than any year since Screen Digest started monitoring. The UK was behind the US (330 hours), Canada (382) and France (259), but unlike these, saw a rise from the previous year.¹⁹³

Growth in computer generated animation has opened up new markets but the need for novelty and innovation has led to a revisitation of stop frame animation (Fantastic Mr Fox and Tim Burton's Frankenweenie both shot in the UK). However, falling advertising revenues for children's programmes – linked to new restrictions on advertising to children – have seen a reduced number of broadcasting commissions for animation.¹⁹⁴ Indeed animation productions made in the UK have more than halved in the last five years.¹⁹⁵

We can see two levels of skills – core and specialist – intertwined within today's Animation companies.

There is the creativity, inventiveness and innovation of small companies supplying the Broadcast and Advertising Industries and harnessing new cross-platform opportunities and exploiting European markets. Companies like Blue Zoo, Passion Pictures and Studio AKA compete in a global market with music promos, commercials and TV idents, built on a bedrock of traditional art skills. Whilst relatively small in terms of employees they represent and feed a strategically important industry for the UK - that of Advertising.

Secondly, there are the larger Film-centred companies, such as Aardman, Framestore and Double Negative. The modern Animation company is as much about pipelines and efficient workflows as it is about animation craft.

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

¹⁹² <http://news.bbc.co.uk/1/hi/entertainment/8225954.stm>

¹⁹³ Screen Digest figures reported in 'The Global Animation Industry: facts and stats' in IMAGINE Nov/Dec 2009

¹⁹⁴ Ofcom and PACT

¹⁹⁵ <http://news.bbc.co.uk/1/hi/entertainment/8225954.stm>

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.¹⁹⁶

Supply

In HE: 1,049 Animation-relevant courses¹⁹⁷ exist across the UK and these courses were being studied by 22,789 students¹⁹⁸ in 2008/09. Approaching half (48%) of these learners are female, whilst 13% are BAME and 15% had an identified disability. In 2008/09 6,896 individuals attained an Animation related qualification (consisting of 1,137 Postgraduate, 4,791 first degrees, 347 foundation degrees and 621 other undergraduate qualifications).¹⁹⁹

In FE: we have identified learning aims that are in some way relevant to the Animation sector and these account for 2,341 learners in England in 2008/09. 52% of these learners are female, 18% are BAME and 14% had an identified disability.²⁰⁰

In the private sector: Of the 11 providers supplying usable information regarding provision to the Animation sector a total of 55 courses were identified. These courses most commonly covered 2D/3D Animation, Stop Motion and Computer Cinematography. Specific skills covered commonly included Adobe After Effects Suite, Software skills – Maya, XSi, cinema 4D, Special effects compositing and Newtek light wave and 3D shadow max.

Skills Shortages

Just 20% of Animation employers in England reported having vacancies at the time of Skillset's 2010 Creative Media Employer Survey, and very few of these employers had any hard to fill vacancies and hence skills shortages.²⁰¹ Those that did have hard to fill vacancies were mainly in Animator, Art & Design and Creative Development roles.

¹⁹⁶ Skillset (2009) Employment Census; www.otakunews.com/article.php?story=1548

¹⁹⁷ See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

¹⁹⁸ The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

¹⁹⁹ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

²⁰⁰ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

²⁰¹ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

Animation employers in England also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad areas most commonly cited are skills in using sector specific software packages (28%), finance (26%), leadership and management (24%) and multi-skilling (23%).²⁰²

In addition, there is some indicative evidence of recruitment difficulties (though not necessarily skill shortages) in respect of producer roles, and at assistant producer level as with Television and Radio.²⁰³

Current Skills Gaps

A quarter (23%) of Animation employers in England report a skills gap within their current workforce, only slightly lower than the Creative Media average (25%).²⁰⁴

Animation employers highlighted a wide variety of areas in which skills gaps exist amongst employees: most commonly technical skills, multi-skilling, sales and marketing, production skills (particularly production management) and skills in using sector specific software packages. Amongst new entrant freelancers creative talent and multi-skilling were the most common skill gaps.

Skills gaps amongst their current workforce were most frequently associated with strategic management and animator roles for employees and animator roles for freelancers.²⁰⁵

According to UK data more than seven in ten (71%) of the Animation workforce stated they need learning and development. Some 47% of the sector had received learning and development in the last year with 37 days learning and development per head received.²⁰⁶ This is nearly twice as much learning and development per head as the next sector and indicates what a resource intense industry Animation is. More than 50% of learning and development fees were paid by the employer and 99% of those trained found the learning and development of direct benefit. The major barrier to learning and development is the cost involved.²⁰⁷

²⁰² Ibid

²⁰³ Skillset (2009): Film Sector Employers Skills and Learning and development Needs in Production, Distribution and Exhibition

²⁰⁴ Skillset (2010) Creative Media Employer Survey.

²⁰⁵ Ibid

²⁰⁶ Skillset (2008) Creative Media Workforce Survey

²⁰⁷ Ibid

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly Animation employers in England predicted that there would be gaps in a wide variety of broad skills areas: Technical skills including CGI: 3D/Animation/VFX/Graphic design (mentioned by 30% of employers), business skills (29%), skills in using sector specific software packages (25%), sales and marketing (25%), skills to develop content for multiple platforms (20%), leadership and management (20%) and creative talent (20%).²⁰⁸

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.²⁰⁹

3.6 Content for Computer Games

Overview

The sector in England employs 6,500 people with 3% being freelance, just 6% female and 3% from a BAME background.²¹⁰ Historically the workforce has also tended to be relatively young.²¹¹ Interestingly with 2,150 workers the North West of England has the highest concentration of games developers of all English regions followed by London and the East of England.²¹² England is also home to approximately 200 Content for Computer Games businesses.²¹³

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.²¹⁴ The sector is currently lobbying hard for the reintroduction of a tax break, promised by the last

²⁰⁸ Skillset (2010) Creative Media Employer Survey

²⁰⁹ Skillset's employer and stakeholder qualitative framework 2010

²¹⁰ Skillset (2009) Employment Census

²¹¹ Skillset (2008) Creative Media Workforce Survey

²¹² Skillset (2009) Employment Census

²¹³ 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.

²¹⁴ 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*

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.

Competitive 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.²¹⁵

Supply

In HE: 4,619 Content for Computer Games relevant courses²¹⁶ exist across the UK and these courses were being studied by 90,360 students²¹⁷ in 2008/09. A below average proportion of these learners are female (24%), whilst 19% are BAME and 9% had an identified disability. In 2008/09 27,815 individuals attained a Games related qualification (consisting of 7,165 Postgraduate, 16,178 first degrees, 792 foundation degrees and 3,667 other undergraduate qualifications).²¹⁸

In FE: we have identified 56 learning aims that are in some way relevant to the Games sector and these account for 2,037 learners in England in 2008/09. 51% of these learners are female, 17% are BAME and 14% had an identified disability.²¹⁹

In the private sector: Of the 7 providers supplying usable information regarding provision to the Games sector a total of 53 courses were identified. These courses most commonly covered development of online games and architectural product

²¹⁵ Ibid

²¹⁶ See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

²¹⁷ The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

²¹⁸ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

²¹⁹ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

visualisation. Specific skills covered commonly included compositing, 3D Animation for Games, writer training and compositing and modelling.

Skills Shortages

Just 31% of Content for Computer Games employers in England reported having vacancies at the time of Skillset's 2010 Creative Media Employer Survey, and around two-thirds of these employers had hard to fill vacancies and hence skills shortages.²²⁰ Those that did have hard to fill vacancies were mainly in Technical Development roles.

Games employers in England also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Leadership and management was by far the most common problem area, followed by creative talent.²²¹

The proportion of graduates in the UK developer population is slowly increasing. However, only 18% of games specific graduates in 2007 succeeded in gaining jobs in the industry. The quality of undergraduate programmes seems to be key: graduates from courses accredited by Skillset are nearly three times more likely to get a job in the Content for Computer Games sector than those from a non-accredited course.²²² UK games companies also recruit from those with generalist degrees, favouring computer science, maths, visual arts and general science courses. However, the predicted gradual decline in UK games development staff numbers over the next five years is expected to reduce the intensity of the skills shortage.

Current Skills Gaps

A quarter (25%) of Content for Computer Games employers in England report a skills gap within their current workforce, the same as the Creative Media average (25%). Sales and marketing, leadership and management and technical skills were the most common skills gap areas amongst both employees and freelancers. These skills gaps were most frequently associated with technical development roles.²²³

Three fifths (59%) of the Content for Computer Games workforce had received some learning and development, compared with 65% of the wider Creative Media workforce. Those working in Content for Computer Games received fewer days learning and

²²⁰ Skillset (2010) Creative Media Employer Survey

²²¹ Ibid

²²² Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging and Publishing and Nesta 2008 *Raise the Game: The competitiveness of the UK's games development sector and the impact of governmental support in other countries.*

²²³ Skillset (2010) Creative Media Employer Survey

development on average between 2007 and 2008 than was the case between 2004 and 2005 (8.2 days compared with 12.4 days).

The Content for Computer Games workforce were most likely to have received learning and development in business skills (32%), management and leadership (30%), IT (24%), On-line/web design/Interactive Media/electronic games (15%) and specific software applications (14%).²²⁴

The attraction of high wages and more stable / better financed companies has led to some 'brain drain' to North America, particularly in relation to senior developers and managers. However England has also benefited from immigration, particularly from eastern Europe.²²⁵

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly Content for Computer Games employers in England predicted that there would be gaps in a wide variety of broad skills areas: Technical skills (mentioned by 31% of employers), creative talent (31%), leadership and management (30%), skills to develop content for multiple platforms (29%), multi-skilling (28%) and sales and marketing (27%).²²⁶

Within the broad category of 'technical skills', Content for Computer Games employers were most likely to specifically mention computer programming (18%). Likewise within 'skills to develop content for multiple platforms' there were a huge variety of specific potential future skills gaps mentioned, the most common relating to design and development of games (predicted by 16% of Games employers in England).²²⁷

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.²²⁸

²²⁴ Skillset (2009) Employment Census

²²⁵ Skillset (2008) Creative Media Workforce Survey, Nesta 2008 *Raise the Game: The competitiveness of the UK's games development sector and the impact of governmental support in other countries*

²²⁶ Skillset (2010) Creative Media Employer Survey

²²⁷ Ibid

²²⁸ 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.

3.7 Facilities

Overview

The Facilities sector provides specialised technical equipment and services to every other Audio Visual sector. Key roles include Post Production, Studio and Equipment Hire, Outside Broadcast, Visual Effects, Special Physical Effects, Manufacture of Equipment, Processing Laboratories and Other Services for Film and Television. Overall England has a workforce of around 40,900 people.²²⁹ Three in ten 31% work as freelancers (rising to 41% in Studio and Equipment Hire, 42% in Other Services for Film and Television and 48% for Special Physical Effects) and just a quarter (25%) are female (though Processing Laboratories at 46% and Special Physical Effects at 38% are higher). Post Production at 11%, Outside Broadcast at 10% and Visual FX at 19% have the lowest representation of women. There is also 8% representation from BAME groups overall with a high of 17% in Processing Laboratories and a low of 4% in Outside Broadcast (though caveats should be made around the relatively small sample size of Outside Broadcast in the Census).²³⁰

It is important to recognise that the sector's reliance on other Creative Media Industries such as Television, Film and Commercials, means it is susceptible to changes in those Industries. Recent evidence from UK Screen states that the largest market for the Facilities sector is Television, which accounts for 52% of sector turnover. Film and Commercials each account for 18% of sector turnover followed by Corporate Production (8%) and Promos (3%).²³¹

It is important to understand that the VFX sector (most of which is in the square mile of Soho) is not only the largest VFX industry for US Film work outside of the USA but is also of strategic importance to inward investment in the UK Film value chain. Current or recent 'blockbusters' with UK VFX work are Harry Potter, John Carter of Mars, Narnia: Dawn Treader, Inception and the latest Xmen movie due in 2011. As such the UK Film industry has asked Skillset to prioritise this sub-sector of Facilities. An action plan that involves a series of roundtables of key industry personnel is leading to a VFX accreditation system, training for tutors in VFX technologies and practices, and an ahead of the curve rewiring of how VFX is taught in Skillset Media Academies. This

²²⁹ Skillset (2009) Employment Census

²³⁰ Ibid

²³¹ 'The UK Facilities Sector', UK Screen (2010),

programme intends to stem the need for the industry to go abroad for talent, taking contracts with it due to the lack of a sufficiently talented workforce in the UK.

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.²³²

In practice the sector is strongly London-centric. Some 93% of the Visual FX workforce, 80% of Post Production and 46% of Studio and Equipment Hire are located in London. The notable sub-sector exceptions are the Manufacture of AV Equipment and Processing Laboratories which are almost exclusively found in the South East. This geographic concentration is hardly surprising given that the supportive role of the sector means that Facilities companies will cluster around the main markets they serve.²³³

In total England is home to approximately 2,700 Facilities businesses.²³⁴

Supply

In HE: 3,954 Facilities-relevant courses²³⁵ exist across the UK and these courses were being studied by 77,251 students²³⁶ in 2008/09. A below average proportion of these learners are female (31%), whilst 14% are BAME and 10% had an identified disability. In 2008/09 22,490 individuals attained a Facilities related qualification (consisting of 5,700 Postgraduate, 13,754 first degrees, 546 foundation degrees and 2,476 other undergraduate qualifications).²³⁷

²³² 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.

²³³ Ibid

²³⁴ 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.

²³⁵ See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

²³⁶ The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

²³⁷ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

In FE: we have identified 46 learning aims that are in some way relevant to the Facilities sector and these account for 66,912 learners in England in 2008/09. Just 2% of these learners are female, 12% are BAME and 6% had an identified disability.²³⁸

In the private sector: Of the 4 providers supplying usable information regarding provision to the Facilities sector a total of 600 courses were identified. These courses most commonly covered post production technical environment. Specific skills covered commonly included IT infrastructure and management.

Skills Shortages

Just 15% of Facilities employers have current vacancies, and of these employers 48% report having hard to fill vacancies and hence skills shortages (similar to the Creative Media employer average across England of 46%).²³⁹ The occupations in which these skills shortages exist most commonly are Distribution, Sales and Marketing, Art and Design and Business Management.

Facilities employers in England also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are multi-skilling (36%), leadership and management (32%), sales and marketing (23%) and skills in using sector specific software packages such as Photoshop, Avid and Final Cut Pro (22%).²⁴⁰

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.

²³⁸ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

²³⁹ Skillset (2010) Creative Media Employer Survey

²⁴⁰ Ibid

Skillset has previously worked with the Facilities sector across the UK to create *First Post*, a learning and development scheme designed for new employees of Facilities sector companies. Evidence suggests that:²⁴¹

- Graduate new entrants in the visual effects sub-sector lacked basic computer, visual effects and specific software skills, people skills / team working skills and a lack of basic understanding of techniques, processes and the industry as a whole;
- Severe difficulties in recruiting for engineering roles within Post Production (“*There are more lucrative areas than broadcasting for engineers to work in*”). As what used to be the “Machine Room” stacked with VCRs and patch panels in the Post Houses has transformed into the IT room, the old engineering skills need to be combined with IT skills - a difficult mix.²⁴²

Current Skills Gaps

Over a quarter (27%) of Facilities employers in England report a skills gap within their current workforce, only slightly higher than the English Creative Media average (25%).²⁴³

More than half of Facilities employers highlighted leadership and management (56%) as a skills gap area amongst employees. Sales and marketing (48%), multi-skilling (45%) and business skills – particularly business planning/strategy (43%) were also highlighted as skills gap areas. Facilities employers were most likely to cite multi-skilling (40%), skills in using sector specific software packages such as Photoshop, Avid and Final Cut Pro (34%) and technical skills (33%) as skills gap areas amongst freelancers.²⁴⁴

Skills gaps amongst their current workforce were most frequently associated with strategic management, art and design and distribution, sales and marketing roles for employees and engineering and transmission roles for freelancers.²⁴⁵

The UK wide review of the First Post scheme also revealed:

- Skills gaps in the Visual Effects sub-sector workforce in relation to project management, people management, and basic administration;

²⁴¹ A review of the First Post scheme revealed a strongly positive response from those with some involvement. However, concern has been raised about the extent to which the scheme was promoted, particularly amongst the freelance workforce.

²⁴² Skillset Review of First Post scheme

²⁴³ Skillset (2010) Creative Media Employer Survey

²⁴⁴ Ibid

²⁴⁵ Ibid

- A growing fear that the industry doesn't have a sufficient culture of skills development in the area of leadership and management: many managers start out as 'runners' and progress from there without having formal management learning and development. However, there was also a level of distrust of management – many associating it mainly with cost cutting.

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly Facilities employers in England predicted that there would be gaps in a wide variety of broad skills areas: Sales and marketing (30%), technical skills (28%), leadership and management (26%), multi-skilling (24%) and skills in using sector specific software packages such as Photoshop, Avid and Final Cut Pro (24%).²⁴⁶

3.8 Interactive Media

Overview

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. This role clouds measurement of the sector's output and importance - as Skillset note: Interactive Media is becoming more of a discipline than a sector.²⁴⁷

About 27,500 people²⁴⁸ work in the Interactive Media sector in England in over 5,900 businesses.²⁴⁹ Just over three quarters of all jobs in the sub-sector are in 'online content'. In terms of employment profile: 21% of the workforce are freelancers, with only 6% of the total employed being women and 5% coming from a BAME background.²⁵⁰

²⁴⁶ Ibid

²⁴⁷ www.skillset.org/interactive/industry/

²⁴⁸ Skillset (2009) Employment Census

²⁴⁹ 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.

²⁵⁰ Skillset (2009) Employment Census

Like the Content for Computer Games sector, the Interactive Media sector's workforce is also highly educated. Nine in ten (88%) has an undergraduate or postgraduate degree or diploma (the highest amongst all Creative Media sectors).²⁵¹

Supply

In HE: 3,627 Interactive Media relevant courses²⁵² exist across the UK and these courses were being studied by 66,473 students²⁵³ in 2008/09. A below average proportion of these learners are female (32%), whilst 22% are BAME and 9% had an identified disability. In 2008/09 23,226 individuals attained an Interactive Media related qualification (consisting of 6,900 postgraduate qualifications, 12,307 first degrees, 972 foundation degrees and 3,038 other undergraduate qualifications).²⁵⁴

In FE: we have identified 106 learning aims that are in some way relevant to the Interactive Media sector and these account for 8,336 learners in England in 2008/09. 47% of these learners are female, 24% are BAME and 14% had an identified disability.²⁵⁵

In the private sector: Of the 18 providers supplying usable information regarding provision to the Interactive Media sector, the courses most commonly covered were: cross platform storytelling, E commerce models, interactive magazine design and managing multi-platform teams and strategy development (specific to management and leadership). Specific skills covered commonly included Joomla and other open source tools and Adobe and Apple Products.

Skills Shortages

A fifth (22%) of Interactive Media employers have current vacancies, and of these employers 55% report having hard to fill vacancies and hence skills shortages (higher than the Creative Media employer average across England of 46%).²⁵⁶ The

²⁵¹ Skillset (2008) Creative Media Workforce Survey

²⁵² See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

²⁵³ The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

²⁵⁴ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

²⁵⁵ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

²⁵⁶ Skillset (2010) Creative Media Employer Survey

occupations in which these skills shortages exist most commonly are Technical Development and Distribution, Sales and Marketing.

Interactive Media employers in England also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are sales and marketing (28%), leadership and management (24%), skills in using sector specific software packages (20%) and multi-skilling (19%).²⁵⁷

Additionally, employers report shortages in entrants with the appropriate combinations of 'hybrid' skills – a mix of specialist skills (e.g. graphic design), and core generic skills (e.g. business/commercial acumen) with cross sector awareness (the ability to provide services to clients from other sectors of the wider economy).²⁵⁸

Current Skills Gaps

A quarter (26%) of Interactive Media employers in England report a skills gap within their current workforce, similar to the English Creative Media average (25%).²⁵⁹

More than half of Interactive Media employers highlighted sales and marketing (55%) as a broad area in which a skills gap exists amongst employees. Technical skills (commonly computer programming - 44%), leadership and management (41%), business skills (31%) and skills in using sector specific software packages (30%) were also highlighted as skills gap areas. Amongst freelancers - technical skills (again commonly computer programming - 44%), skills in using sector specific software packages (30%) and skills to develop content for multiple platforms (28%) were the most common skills gap areas cited.²⁶⁰

Skills gaps amongst their current workforce were most frequently associated with technical development (40%) and distribution, sales and marketing (27%) roles for employees and technical development (49%) roles for freelancers.²⁶¹

Around two thirds of the Interactive Media workforce had received some learning and development over a twelve month period between 2007/08.²⁶² Data suggest 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

²⁵⁷ Ibid

²⁵⁸ www.skillset.org/interactive/industry/article_6921_1.asp

²⁵⁹ Skillset (2010) Creative Media Employer Survey

²⁶⁰ Ibid

²⁶¹ Ibid

²⁶² Skillset (2008) Creative Media Workforce Survey

(29%), specific software applications (19%) and legal (18%). In other sub-sectors as a whole, 25% of those trained in the 2007/08 received learning and development in specific software applications. Regulatory/compliance learning and development in ethics/safeguarding trust (25%) and health and safety (23%) was also relatively common.²⁶³

Over half (55%) of the Interactive Media workforce in the UK cited a learning and development need in 2007/08, which was lower than in 2004/05 (70%). The most commonly cited learning and development related to on-line/web design/Interactive Media/electronic games (27%), specific software applications (22%) and business skills including management and leadership (17%).²⁶⁴

Learning and development costs and available time seem to be the main barriers to take up.²⁶⁵

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly Interactive Media employers in England predicted that there would be gaps in a wide variety of broad skills areas: Technical skills (mentioned by 33% of employers), sales and marketing (32%), leadership and management (27%), multi-skilling (26%), skills to develop content for multiple platforms (25%) and skills in using sector specific software packages (23%).²⁶⁶

Within the broad category of 'technical skills', Interactive Media employers were most likely to specifically mention computer programming. Likewise within 'skills to develop content for multiple platforms' there were a huge variety of specific potential future skills gaps mentioned, the most common relating to the design and development of mobile applications (predicted by 8% of employers in England).²⁶⁷

Despite the recession, medium term forecasts are for an ever increasing demand for online and offline output. This will be driven by, amongst other things, continuing falls in the real price of software, widening access to cheap broadband and 360 degree commissioning models – where content is commissioned for dissemination across

²⁶³ Ibid

²⁶⁴ Ibid

²⁶⁵ Ibid

²⁶⁶ Skillset (2010) Creative Media Employer Survey

²⁶⁷ Ibid

more than one platform. In the future it is anticipated that technical software and website design skills and project management skills will be most needed.

3.9 Photo Imaging

Overview

The Photo Imaging sector encompasses four main sub-sectors: Photographers; Image Producers and Photo Retailers; Picture Libraries and Agencies and Manufacturing and Support services. Currently approximately 40,800 people are thought to work in the sector across England, Photographers comprising the largest sub-sector.²⁶⁸ Some 67% of the workforce are freelance, 43% are female and 5% are BAME.²⁶⁹ The sector comprises around 7,900 businesses in England.²⁷⁰

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 automatically own copyright by the act of commissioning a photographer. Recent evidence for the UK 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.²⁷¹

²⁶⁸ Labour Force Survey July 2009 – June 2010

²⁶⁹ Ibid

²⁷⁰ IDBR 2009

²⁷¹ British Photographic Council (2010), Industry Survey of Photographers

Supply

In HE: 1,663 Photo Imaging relevant courses²⁷² exist across the UK and these courses were being studied by 30,403 students²⁷³ in 2008/09. An above average proportion of these learners are female (54%), whilst 13% are BAME and 13% had an identified disability. In 2008/09 9,001 individuals attained a Photo Imaging related qualification (consisting of 2,491 Postgraduate, 5,451 first degrees, 209 foundation degrees and 848 other undergraduate qualifications).²⁷⁴

In FE: we have identified 127 learning aims that are in some way relevant to the Photo Imaging sector and these account for 14,253 learners in England in 2008/09. 56% of these learners are female, 21% are BAME and 14% had an identified disability.²⁷⁵

In the private sector: Of the 8 providers supplying usable information regarding provision to the Photo Imaging sector the courses most commonly covered were: digital photo image manipulation, DSLR Camera, and freelancing skills and business skills for photographers (specific to Management and Leadership). Specific skills covered commonly included Adobe and Apple products, archiving and picture libraries, copyrighting and contracting and specialist photography – wedding, products, and studio portraiture.

Skills Shortages

Just 6% of Photo Imaging employers have current vacancies, and of these employers, 58% report having hard to fill vacancies and hence skills shortages (higher than the Creative Media employer average across England of 46%).²⁷⁶ The occupation in which these skills shortages exist most commonly is Distribution, Sales and Marketing.

Photo Imaging employers in England also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly

²⁷² See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

²⁷³ The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

²⁷⁴ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

²⁷⁵ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

²⁷⁶ Skillset (2010) Creative Media Employer Survey

cited are sales and marketing (45%), leadership and management (32%), skills in using sector specific software packages (30%) and multi-skilling (28%).²⁷⁷

Current Skills Gaps

A fifth (19%) of Photo Imaging employers in England report a skills gap within their current workforce, lower than the English Creative Media average (25%).²⁷⁸

Approaching three quarters of Photo Imaging employers highlighted sales and marketing (72%) as an area in which a skills gap exists amongst employees. Skills in using sector specific software packages (56%) and technical skills – including computer programming and photographic skills (43%) were also highlighted as skills gap areas. Amongst freelancers the most commonly identified skills gap areas were skills in using sector specific software packages (57%) and sales and marketing (38%).

Skills gaps amongst their current workforce were most frequently associated with camera/photography and distribution, sales and marketing roles for employees and camera/photography for freelancers.²⁷⁹

Across the industry as a whole in the UK, the most significant specialist skills gaps continue to be around the use of digital technology, knowledge of digital workflow and management of digital assets. 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.²⁸⁰

The Skillset Photo Imaging Workforce Survey 2007 did however reveal that 26% of the workforce had received learning and 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 including management and leadership' (21%) and 'Marketing' (18%) were also identified.

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly Photo Imaging employers in England predicted that there would be gaps in a wide variety of broad skills areas: Skills in using sector

²⁷⁷ Ibid

²⁷⁸ Skillset (2010) Creative Media Employer Survey

²⁷⁹ Ibid

²⁸⁰ Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest

specific software packages (36%), sales and marketing (35%), multi-skilling (27%) and technical skills (20%).²⁸¹

Three fifths (57%) of the Photo Imaging workforce identified a future learning and development need. Some 25% cited wanting to keep up with the field and improve their effectiveness at work as a reason for learning and development. Of those, 60% stated a need for 'specialist software learning and development'. The next most frequently identified were 'business skills including management and leadership' (15%) and 'minilab and printing skills' (13%).²⁸²

3.10 Publishing

Overview

The Publishing sector includes Book and Newspaper Publishing, Journals and Periodicals, News Agencies, Publishing of Directories and Mailing Lists and other Services and Activities. There are 162,700 people employed throughout Publishing in England of whom 42,000 in Journals and Periodical Publishing, 39,200 work in Newspaper Publishing, 29,800 in Book Publishing and 34,300 in Other Publishing.²⁸³ Some 14% are freelance, 47% female and 5% from a BAME background. Just 5% of those who work in Newspaper Publishing are freelancers rising to 22% in Book Publishing.²⁸⁴

There are approximately 8,850 Publishing businesses in England.²⁸⁵ The majority of establishments in the sector are small with 88% having 10 employees or fewer and 97% fewer than 50.²⁸⁶

A recent study carried out by NESTA maps the UK's creative clusters and shows that a large number of Publishing firms are based in London, its surroundings, Cambridge, Oxford, Bristol and Bath, Manchester (plus Glasgow and Edinburgh outside of England). On a more local level strong concentrations of 'creative agglomerations' are

²⁸¹ Skillset (2010) Creative Media Employer Survey

²⁸² Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest

²⁸³ Labour Force Survey July 2009 – June 2010

²⁸⁴ Ibid

²⁸⁵ IDBR 2009

²⁸⁶ Ibid

identified in Oxford, Bath and Minehead. There is further significant specialisation in London, Cambridge, Peterborough, Ludlow and the North of Scotland.²⁸⁷

Across England the Magazine and Newspaper Publishing sub-sectors have undergone major structural changes. This has been driven by both the recession and a longer term movement away from the traditional advertising revenue model to more online content. This process is set to speed up over the next decade and will revolutionise the sub-sector, making it harder to generate revenue from content alone and emphasising the need for a multi-platform and diverse approach to delivery, marketing and promotion.

The result has been fewer titles and jobs – particularly freelance – and the loss of some functions such as sub-editing. 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.²⁸⁸ Elsewhere, while book sales have held firm the overall value of sales has fallen. The increasing popularity of tablets (e.g. iPad) and mobile smart phone technology are also anticipated to have a major impact on the industry.

Supply

In HE: 1,922 Publishing-relevant courses²⁸⁹ exist across the UK and these courses were being studied by 39,743 students²⁹⁰ in 2008/09. An above average proportion of these learners are female (53%), whilst 13% are BAME and 11% had an identified disability. In 2008/09 12,838 individuals attained a Publishing related qualification (consisting of 2,568 Postgraduate, 8,622 first degrees, 560 foundation degrees and 1,088 other undergraduate qualifications).²⁹¹

In FE: we have identified 238 learning aims that are in some way relevant to the Publishing sector and these account for 127,350 learners in England in 2008/09

²⁸⁷ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

²⁸⁸ Deloitte Media Predictions 2009

²⁸⁹ See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

²⁹⁰ The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

²⁹¹ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

(second only to Film in the Creative Media Industries). 60% of these learners are female, 19% are BAME and 19% had an identified disability.²⁹²

In the private sector: Of the 9 providers supplying usable information regarding provision to the Publishing sector the courses most commonly covered were: layout development, sub-editing, magazine design and news editing, and legal issues and business and finance development (specific to Management and Leadership). Specific skills covered commonly included academic marketing, editorial, Adobe Indesign and Quark Xpress.

Skills Shortages

Just 13% of Publishing employers have current vacancies, and of these employers, 37% report having hard to fill vacancies and hence skills shortages (lower than the Creative Media employer average across England of 46%).²⁹³ The occupation in which these skills shortages exist most commonly is Distribution, Sales and Marketing.

Publishing employers in England also highlighted a number of skills that they found difficult to obtain in applicants direct from education. Broad skills areas most commonly cited are sales and marketing (33%), creative talent (22%) and multi-skilling (18%).²⁹⁴

Other evidence relating to new entrants points to the following skills shortages:²⁹⁵

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

²⁹² Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

²⁹³ Skillset (2010) Creative Media Employer Survey

²⁹⁴ Ibid

²⁹⁵ Skillset (2009) From Recession to Recovery: an overview of the Impact of the Recession on the UK's Creative Media Industries and the Path to Recovery. Based on a sample of 262 employers.

Current Skills Gaps

Over a quarter (27%) of Publishing employers in England report a skills gap within their current workforce, only slightly higher than the English Creative Media average (25%).²⁹⁶

More than half of Publishing employers highlighted sales and marketing (61%) and technical skills (51%) as broad areas in which skills gaps exist amongst employees. Skills in using sector specific software packages (45%) and business skills (43%, including 20% specifically mentioning entrepreneurial skills) were also highlighted as skills gap areas. Within the broad category of 'technical skills' – computer programming, usage and web/internet design/development were the most common specific areas of skills gaps. Amongst freelancers sales and marketing (38%) was again the main skills gap area.

Skills gaps amongst their current workforce were most frequently associated with business management (28%), distribution, sales and marketing (25%) and production (19%) roles for employees and business management (36%) and art and design (26%) roles for freelancers.²⁹⁷

Future Skills

Skillset's 2010 Creative Media Employer Survey asked employers to identify any potential future skills gaps. Interestingly Publishing employers in England predicted that there would be gaps in a wide variety of broad skills areas: sales and marketing (36%), skills in using sector specific software packages (33%), technical skills (22%), multi-skilling (20%), business skills (20%) and skills to develop content for multiple platforms (20%).²⁹⁸

²⁹⁶ Skillset (2010) Creative Media Employer Survey

²⁹⁷ Ibid

²⁹⁸ Skillset (2010) Creative Media Employer Survey

3.11 Advertising

Overview

The Advertising sector consists of Advertising Agencies and Media Representation services. There are over 88,400 people employed throughout the sector in England of whom 67,700 work in Advertising Agencies and 20,700 in Media Representation services. Some 20% are freelance, 42% female and 12% from a BAME background. Some 22% of those who work in Advertising Agencies are freelancers falling to 14% in Media Representation services.²⁹⁹

There are an estimated 12,950 Advertising businesses in England. The majority of establishments in the sector across the UK are small Advertising Agencies with 91% having 10 employees or fewer and 98% fewer than 50.³⁰⁰ A small number of agencies account for a high proportion of total business.³⁰¹

A recent study carried out by NESTA maps the UK's creative clusters and shows that a large number of Advertising firms are based in London and Manchester. On a more local level additional 'creative agglomerations' are identified in the South of London (from St Albans to Tunbridge Wells and Guildford), a south belt around Manchester and Birmingham and its south counties, Warwickshire and Worcestershire. There is also a higher than average agglomeration in Harrogate and Ripon and Blackpool.³⁰²

The Advertising industry is new to Skillset's footprint and full engagement with the industry as a whole has not yet been possible. The focus to date has been on the 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.

The workforce as covered by IPA member companies has the following profile: 5% are freelance, 48% female, 8% BAME and 55% aged over 30.³⁰³

In 2009, Cultural and Creative Skills (with TBR) conducted a survey 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

²⁹⁹ Labour Force Survey July 2009 – June 2010

³⁰⁰ IDBR 2009

³⁰¹ IPA member agencies represent 270 of the top agencies, and service over 5000 client companies including the big corporates. 50% of the FTSE 100 use IPA member agencies.

³⁰² Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

³⁰³ IPA 2009 Census

reported as having received informal learning and development, 42% formal learning and development and 15% external learning and development.³⁰⁴ Moreover younger entrants to the sector were less careerist than previous generations, and were very keen to ensure good work/life integration.

Supply

In HE: 2,867 Advertising-relevant courses³⁰⁵ exist across the UK and these courses were being studied by 51,252 students³⁰⁶ in 2008/09. An above average proportion of these learners are female (57%), whilst 15% are BAME and 11% had an identified disability. In 2008/09 16,578 individuals attained an Advertising related qualification (consisting of 2,827 Postgraduate, 11,966 first degrees, 425 foundation degrees and 1,357 other undergraduate qualifications).³⁰⁷

In FE: we have identified 143 learning aims that are in some way relevant to the Advertising sector and these account for 101,912 learners in England in 2008/09. 66% of these learners are female, 18% are BAME and 19% had an identified disability.³⁰⁸

There is widespread dissatisfaction among employers with many creative courses as too many such courses are too execution focused and do not pay enough attention to upstream creative thinking. Marketing courses that have an advertising component also too often miss out the problem solving skills and aptitudes required. It is indeed rare that recruitment to client service positions within IPA represented agencies, for example, come from marketing courses. Just over 100 creative courses are linked to industry through D&AD.

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%).

³⁰⁴ CCS/TBR Workforce Survey, 2009

³⁰⁵ See 'Defining Courses Relevant to Skillset Key Sectors' in the Supply Mapping section of Annex A

³⁰⁶ The student count is the number who are studying courses whether in the first, middle, or final years of study. Both full time and part time students are included.

³⁰⁷ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

³⁰⁸ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. Further information regarding this study can be found in the methodology section.

- The skill areas most often found lacking in new entrants were design (cited by 41%), and ICT skills (20%).³⁰⁹

Skillset undertook a consultation exercise with industry representatives in October 2010 and skills shortage areas highlighted were:

- 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 perspective:

- 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

Current Skills Gaps

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%).³¹⁰

26% of companies report losing business due to skills gaps in their workforce.³¹¹

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

- Multi-platform all-rounders (including IT support staff working between platforms);

³⁰⁹ CCS/TBR Workforce Survey, 2009

³¹⁰ Ibid

³¹¹ Ibid

- Management and leadership;
- Commercial/Business Skills;
- Sales.

And from a digital perspective:

- 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 2016.³¹² 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.

³¹² 'The Future of Advertising and Agencies: A 10-Year Perspective', Future Foundation and Institute of Practitioners in Advertising, 2006

3.12 Skills Supply

3.12.1 Skills Supply: the Education System

The sector as a whole is characterised by high levels of level 4 and above qualifications. Two thirds (60%) of the sector have degrees and many in media related subjects.³¹³ This compares with just 36% of adults who hold level 4 qualifications or above across the whole UK workforce.³¹⁴

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.³¹⁵ 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 businesses³¹⁶

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 15,500 in England (85% of all courses in the UK). Just over

³¹³ Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey, LFS, ONS July 2009 – June 2010.

³¹⁴ LFS, ONS July 2009 – June 2010.

³¹⁵ 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

³¹⁶ Universities UK (2010), Creating Prosperity: the role of education in driving the UK's creative economy.

2,500 courses are available in FE across the UK and the leading private sector providers identify a further 2,400 courses across the UK.³¹⁷

Across HE, FE and the private sector, in total there are over 1.4 million learners undertaking Skillset relevant courses in the UK. In terms of outcomes, 10% of all Skillset relevant HE students who have gained some form of employment 6 months after graduating have done so within the Skillset footprint.³¹⁸

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 £27 million in England). FE Skillset relevant courses attracted in excess of £60.7 million in tuition fees from a range of sources including the LSC, private individuals and employers in 2008/09.³¹⁹

Although valuable skills are provided into the wider community, in terms of the Creative Media Industries, too many courses produce graduates with insufficient specialisms to meet employer needs. Quite why the design of these courses is so far removed from what the industry needs is a matter of some concern.

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

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.

³¹⁷ 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.

³¹⁸ DLHE Survey, HESA 2007/08 from 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.

³¹⁹ 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.

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.³²⁰

In addition, of the Creative Media employers in England that had used Skillset's learning and development services, including Skillset academies and accredited courses, 64% stated it had made their company more productive and/or competitive.³²¹

In the school system there are significant issues with careers advice. Students generally are not receiving high quality advice to help them understand the opportunities across the digital sectors and make appropriate subject choices. Too many careers' advisors have only a shady knowledge of how to advise students interested in a career in the Creative Media Industries. The degree of network capital required to enter many of the professions is also a handicap. The online site Skillset Careers³²² has been established to help rectify the gap of relevant careers information, advice and guidance for the Creative Media Industries. Skillset's latest research revealed that of those employers in England that had used Skillset's careers information, advice and guidance products/services, 50% stated it had made their company more productive and/or competitive.³²³

3.12.2 Skills Supply: Workforce Development

Demand for learning and development remains high in the Creative Media Industries. In Skillset's Creative Media Workforce Survey of 2008, the most common areas of learning and development completed by employees and freelancers related to multi-platform content and new and digital technology (one in four member of the workforce identifying this need). However, in Skillset's 2010 Creative Media Employer Survey employers reported sector specific software packages, technical skills and sales and marketing as the areas of learning and development most commonly completed by their workforce.

This report already highlights the fact that the Creative Media workforce in England is relatively highly qualified. As reported in Skillset's Creative Media Workforce Survey

³²⁰ Ibid

³²¹ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

³²² www.skillset.org/careers

³²³ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

2008, three fifths (59%) of those working in England had received learning and development in the past 12 months.³²⁴ However, less than half (45%) of Creative Media employers in England had funded or arranged learning and development for their workforce in the past 12 months.³²⁵

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

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

- Fees being too high (cited by 29%);
- Lack of available courses/learning and development in their region (cited by 28%);
- Lack of available information on learning and development (cited by 28%);
- Learning and development held in inconvenient places (cited by 26%);
- Employers unwilling to pay (cited by 25%).³²⁶

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

Skillset's Creative Media Employer Survey 2010 investigated the usage of apprenticeships, graduate internships and work placements/work experience posts.

Less than one in ten Creative Media employers in England offer apprenticeships (9%) though a further 39% would consider doing so in the future. The proportion of employers that offer apprenticeships ranges from 26% in Film Distribution and Exhibition to just 2% in Publishing of Journals and Periodicals. This mirrors trends within the wider Film and Publishing sectors. The occupations that employers most frequently have or would consider offering apprenticeships in are art and design (18%),

³²⁴ Skillset (2008) Creative Media Workforce Survey. Figures exclude Film Production, Photo Imaging, Publishing and Advertising.

³²⁵ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

³²⁶ Survey respondents were able to select multiple barrier options.

camera/photography (16%), technical development (15%) and distribution, sales and marketing (14%).³²⁷

Graduate internships were twice as likely as apprenticeships to be offered by Creative Media employers (18%). In addition, another 35% would consider offering an internship. A significantly higher proportion of employers than average within Other Content Creation (47%), Film Production (46%) and Content for Computer Games (43%) offer graduate internships.³²⁸

Almost three quarters of Creative Media employers offer or would consider offering work placements or work experience posts (73%). This includes 48% of employers that already offer work placements/work experience posts, with Community/Voluntary Radio (88%), Broadcast Radio (72%), Corporate Production (69%) and Publishing of Newspapers (68%) the sectors most likely to offer already.³²⁹

The most common reasons cited for not offering or considering offering apprenticeships or graduate internships include not taking on inexperienced people/preferring to recruit fully trained or qualified staff; not worth the time for the money received; all employees being fully trained; and the contribution of the apprentice/intern is not financially viable.

3.12.3 Skills Supply: Diversity

A particular issue in terms of skills supply into the Creative Media Industries is the changing profile in terms of women and Black, Asian and Minority Ethnic representation (see Table 4), which has fallen sharply in recent years in some sub-sectors, along with an increase in people leaving the industries in their thirties and forties.³³⁰

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

³²⁷ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

³²⁸ Ibid

³²⁹ Ibid

³³⁰ 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.

Table 4: Diversity by Sub-Sector³³¹

Sector	% Women	% BAME
Television	40	10
Terrestrial TV	48	11
Cable & Satellite Television	36	12
Independent Production (TV)	37	9
Radio	45	8
Broadcast Radio	46	9
Independent Production (Radio)	30	4
Other Content Creation	15	4
Commercials Production and Pop Promos	15	5
Corporate Production	14	4
Animation	16	2
Archives & Libraries	16	4
Interactive Media	6	5
Online Content	6	6
Offline Multimedia	6	0
Mobile Content	1	0
Other Interactive Media	3	1

Sector	% Women	%BAME
Facilities	25	8
Post Production	11	6
Special Physical Effects	38	6
Studio & Equipment Hire	21	9
Manufacture of AV Equipment	34	4
Other Services for Film and Television	33	9
Processing Laboratories	46	17
Outside Broadcast	10	4
Visual FX	19	8
Film	40	10
Film Distribution	41	9
Film Production	40	10
Publishing	47	5
Photo Imaging	43	5
Advertising	42	12
Content for Computer Games	6	3
Games Development	7	3
Games Publishing	3	0
Games Development Support	3	3
		19

The range of disabled people employed varies from sector to sector as well. Overall 9% of the English workforce is disabled with a high of 16% in Photo Imaging being disabled and a low of 3% in Film Production. Interestingly more freelancers in most

³³¹ Skillset (2009) Employment Census, Skillset/UK Film Council (2007) Feature Film Production Workforce Survey 2008 and Labour Force Survey July 2009 – June 2010.

sectors were disabled than permanent staff. In Publishing this reached a peak of 19% of the freelance workforce being disabled (compared to 10% of employees).³³²

Age is also an issue of some concern to the sector, mainly because in some sub-sectors so many people are comparatively youthful – take Cable and Satellite Television for example where more than 45% are under 35; and in some there is a predominance of older more experienced people who will reach retirement age in the next decade or two – see for example Transmission where 87% are 35 and over and 50% aged 35-49, or Outside Broadcast where 74% are 35 and over, or archiving and library work where 73% are 35 and over.³³³

Looking at HE students the following demographic profile emerges with positive profiles particularly for ethnicity and disability³³⁴:

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

³³² Skillset (2008) Creative Media Workforce Survey, Skillset/UK Film Council (2007) Feature Film Production Workforce Survey 2008 and Labour Force Survey July 2009 – June 2010.

³³³ Skillset (2008) Creative Media Workforce Survey

³³⁴ All figures from HESA 2008/09 quoted 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.

- 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 Growth Continues as Does Freelance Fragility

Recent forecasts by PwC suggested that the UK entertainment and media market would grow by 3.7% per annum on average for the 4 years to 2014.³³⁵ This compares to whole economy growth over this period of just over 2%.³³⁶ Given the reported business optimism from Skillset's October 2010 qualitative research phase these assumptions look realistic.³³⁷ Global growth in the E&M market is expected to reach 5% year-on-year and total \$1.7 trillion by 2014.³³⁸

Increasingly the Creative Media market is a global market. Content for Computer Games, Advertising, Film, Television (especially the UK's excellent record in exporting TV formats), Animation and Publishing are all globally integrated sectors.

Many analysts predict that traditional incumbent companies will remain dominant, sometimes through acquiring companies with a strong digital presence.³³⁹ The opportunities presented by developing technology may be beyond the scope of almost all single companies, even large established multinationals or conglomerates. Alliances and partnerships will therefore be formed for opportunities to be realised, commonly with Technology companies, and sometimes with companies that will be competitors in other markets.

4.2 A Square Peg in a Round Hole? Creative Media and the Current VET System

If the Creative Media sector is going to maximise its future opportunities national vocational educational training (VET) policy urgently needs to better address the powerful singularity of the sector.

This is not a sector dominated by mature, large employers that can offer secure organisational labour markets replete with a full suite of in-work and off-site provision. The strength of the sector is its diverse provision of atypical employment characterised

³³⁵ Towards 2014, the search for value in the digital supply chain PwC 2010

³³⁶ http://budgetresponsibility.independent.gov.uk/d/pre_budget_forecast_140610.pdf

³³⁷ Skillset's employer and stakeholder qualitative framework 2010

³³⁸ Ibid

³³⁹ Skillset Strategic Plan 2008-2011

by a strong, and in some sub-sectors such as Film Production, primary external labour market (ELM).

But this strength in labour supply terms – a highly qualified, highly entrepreneurial and adaptive talent pool – means the sector is leaning into a head wind in terms of VET and broader public policy.

For example, the absence of many large firm employers, and the large number of small firms and freelancers in particular³⁴⁰, makes it a difficult sector to influence through public policy. Employers with larger number of employees generally have greater requirements placed on them than smaller ones, and equal opportunities and other legislation applies more comprehensively. More specifically, when recruitment and promotion criteria are as informal as they are in the cultural sectors, it's sometimes difficult for public policy to gain any firm purchase on labour force development issues.³⁴¹

Future progress will require a wider acceptance that a sector dominated in large part by external labour markets needs a far more flexible skills system. The current VET system is therefore not serving this sector well.

4.3 A Necessary Broadening and Deepening of the Skills Base

Across all Creative Media industries, there is recognition of the dramatic changes brought about by the digital environment and the need to up skill to make the most of it. The following are of particular importance:³⁴²

- **Multi-skilling**: an understanding of different technology platforms and their impact on content development and digital work flow, and new approaches to working in cross-functional creative / technical teams within and across companies.

³⁴⁰ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey 2008, LFS July 2009 – June 2010.

³⁴¹ See K. Oakley (2009) '*Art Works*' – *cultural labour markets: a literature review*' Creativity, Culture and Education Series

³⁴² Skillset (2010) Creative Media Employer Survey; Skillset (2008) Creative Media Workforce Survey; Skillset/UK Film Council (2009) Feature Film Production Workforce Survey; Evidence from Focus Groups carried out with industry representatives in October 2010.

- Multiplatform skills: the creative and technical skills to produce content for distribution across all potential platforms, and the ability to understand and exploit technological advances.
- Management, leadership, business and entrepreneurial skills: especially project management for multi-platform development; the hybrid skills combining effective leadership with innovation, creativity and understanding of technology, and the analytical skills to understand audience interests and translate it into business intelligence.
- IP and monetisation of multiplatform content: understanding of intellectual property legislation to protect from piracy, and exploiting intellectual property internationally to take full advantage of emerging markets - with particular focus on the ability to deal with the problem of illegal downloading and copyright infringement.
- Broadcast engineering: continuing to be an area of skills shortage.
- Archiving³⁴³: archiving of digital content being an area which is attracting increased attention as a challenging issue for the future.
- Sales and marketing: being particularly important in Commercial Radio and an emerging need in other sectors.
- Diagonal thinking: the ability to tell great stories, then know how to monetise those stories to the best effect utilising media that cross platforms and territories well.

The breadth and depth of these up-skilling requirements underline the scale of ongoing transformation the sector needs to affect in its skills base.

The increasing need for these and other skills is highlighted by the latest evidence from Skillset's 2010 Creative Media Employer Survey in which employers were asked to think three to five years into the future and predict skills for which there will be a particular demand that will be difficult to meet. The skills identified by employers in England were consistent with those also identified as current skills gaps amongst the workforce. A third of employers in England identified sales and marketing skills as a future skills gap area (33%), followed by skills in using sector specific software

³⁴³ 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.

packages (29%) and technical skills (25%).³⁴⁴ Within the broad area of ‘technical skills’ the specific future skills gap predicted most frequently was computer programming (mentioned by 7% of employers).

³⁴⁴ Skillset (2010) Creative Media Employer Survey. Figures exclude Advertising.

5. Geographical Differences in Labour and Skill Needs

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

Table 5: Work base of Creative Media Workforce in England

English region	% of UK total
England	90%
All London	38%
South East of England (excluding London)	12%
South West of England	8%
West Midlands	5%
East Midlands	4%
North East of England	2%
Yorkshire & the Humber	5%
East of England	8%
North West of 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.

Table 6: Work base of Creative Media Workforce in England by Sector (n)

	London	South East excl. London	South West	West Mids	East Mids	Yorks and Humber	The East	North West	North East
Television	31,200	1,200	1,750	1,000	1,400	1,150	700	4,250	350
Radio	6,650	1,050	350	750	450	1,200	1,550	3,950	450
Facilities	23,900	4,750	4,750	3,000	4,100	6,250	4,350	15,750	1,450
Film	7,550	2,000	700	100	100	100	150	350	50
Aniamtion	850	1,650	200	*	*	50	*	600	0
Other Content Creation	3,700	550	1,000	850	200	300	400	250	300
Interactive Media	6,800	5,000	4,250	1,000	900	6,400	500	1,650	200
Content for Computer Games	1,350	250	50	400	600	200	1,300	2,150	200
Publishing	63,900	22,700	17,90	8,100	7,600	7,800	19,10	11,000	4,200
Photo Imaging	12,900	7,500	3,300	4,200	2,600	N/A	4,300	4,100	1,300
Advertising	32,500	12,700	7,100	4,200	5,400	4,700	7,700	12,100	1,200
Archives & Libraries	150	50	50	50	*	0	50	50	0

Source: Skillset (2009) Employment Census (all creative sub-sectors excluding Film Production, Photo Imaging, Publishing and Advertising), Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and Labour Force Survey July 2009 – June 2010.

* = less than 25

N/A = unable to present data due to low sample size in Labour Force Survey

In recent years, there have been deliberate attempts to stimulate activity outside of London and the South East. Ofcom's Public Service Broadcasting Review has provided a foundation from which geographic diversity can be speeded up. The South of England including London dominates England's Creative Media Industries with some 62% of England's Creative Media workforce. The North has 20% of England's Creative Media workforce, while the East has 8% and the Midlands has 10% of the total. The region with the lowest numbers of Creative Media workers is the North East which has just 2% of England's Creative Media workforce. In terms of growth potential the North East is in most need of investment. Its heavy industrial past is still determining so much

of the shape of current investment and Creative Media should see this region as a land of opportunity with its rich cultural heritage and identity.

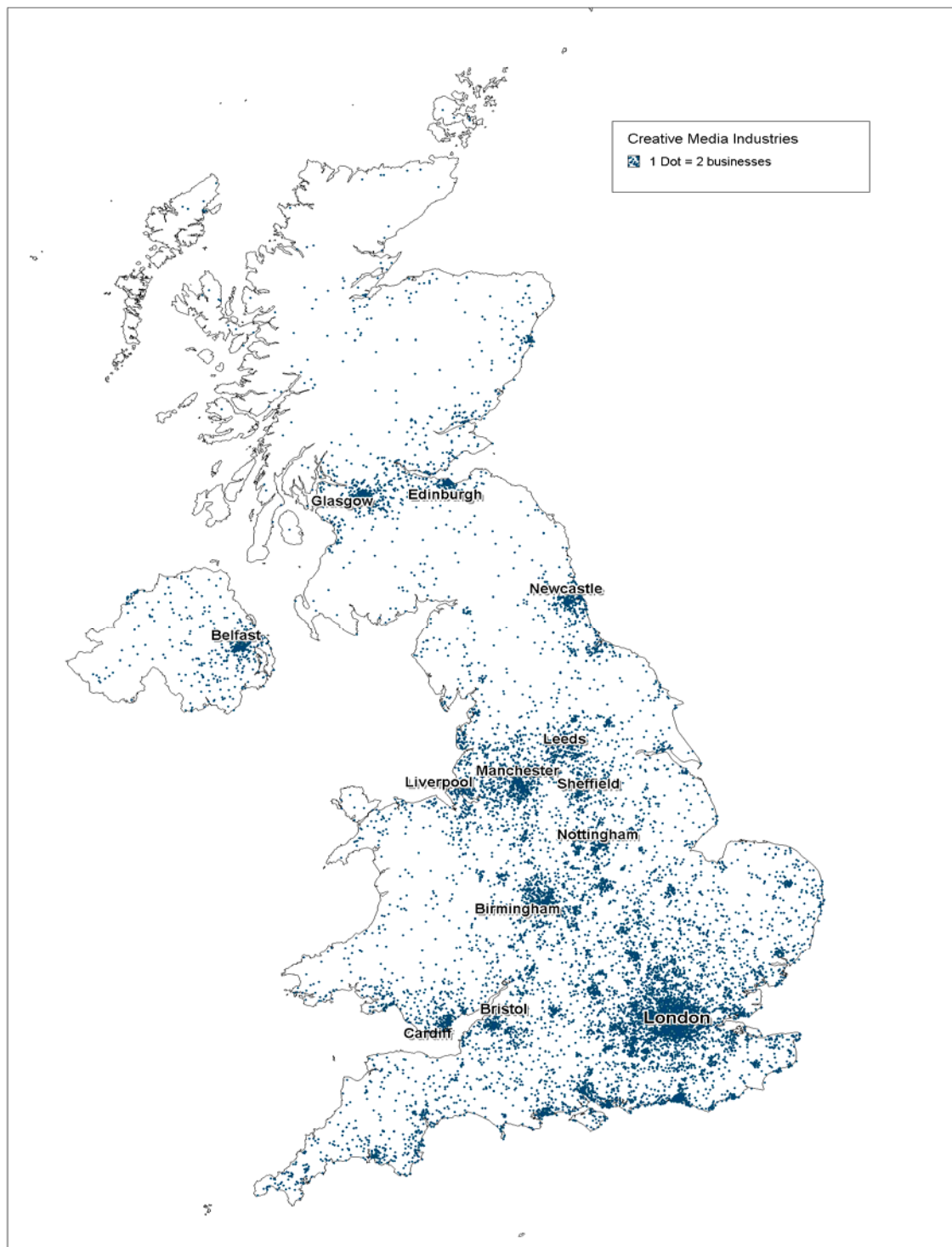
Outside London the North West has received a major fillip with the moving of so much of the BBC's production capacity to Salford Quays. The North West with 56,100 workers, thus has the second highest density of Creative Media workers outside London with strong positions in Television, Radio, Photo Imaging and Facilities. In the East of the country Publishing with 19,100 workers is a dominant sector, second only to the South East outside of London. It also enjoys a similar number of Photo Imaging workers (4,300) as the North West. For Animation the South East is the dominant region with 1,650 workers. While Yorkshire and Humber enjoy the highest proportions of Interactive Media workers at 6,400.

A recent study carried out by NESTA maps the UK's creative clusters and shows that London is the heart of the Creative Industries in Britain, dominating in almost all creative sectors, and particularly in the most intrinsically creative layers of the value chain for each sector. The high level of geographical detail used in the mapping allowed nine other creative hotspots across Britain to be pin-pointed. They are Bath, Brighton, Bristol, Cambridge, Guildford, Edinburgh, Manchester, Oxford and Wycombe-Slough.³⁴⁵

The following map illustrates the distribution of Creative Media companies contained in Skillset's 2010 Company Database³⁴⁶ by post code district. This map clearly shows that the creative hotspots identified by NESTA are also hubs of activity amongst Creative media employers known to Skillset.

³⁴⁵ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

³⁴⁶ Excluding Advertising and Cinema Exhibition. Database created from a variety of sources including previous research participants, Trade Association membership lists, Industry Directories and Experian.



At a regional level in England, the London and the South East regions are the main locations for Skillset relevant courses as represented by student numbers. One in four Skillset relevant students are studying at London based institutions, whilst the South East accounts for 18% of all Skillset relevant students on courses in England in 2008/09. The Eastern and North East regions have lower than average proportions of Skillset relevant students at 6% and 5% respectively.³⁴⁷ In FE the South East, North

³⁴⁷ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training Provision in FE, HE, and the Private Sector in the UK. NB These figures include Fashion & Textiles which is

West and London account for 43.5% of all those studying Skillset relevant learning aims, with the North East having the lowest overall share at 5.6% of all learners being found in institutions in the region.³⁴⁸

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

³⁴⁸ Figures from Individual Learner Record (ILR) 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Media and Fashion & Textiles Relevant Education and Training 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.

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)³⁴⁹ 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

³⁴⁹ See www.theia.org.uk/ilr/ for more details.

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.

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)³⁵⁰. 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

³⁵⁰ 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).

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 in order to obtain a reliable picture of working patterns, current and future skills development needs, existing provision, and barriers experienced to receiving training and development from film sectors not covered elsewhere by research.³⁵¹ 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.

³⁵¹ Skillset/UKFC Feature Film Production Workforce Survey 2010 will be published in early 2011.

- **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.

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, Publishing and Advertising 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.

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, the sample size of surveys that underpin the key data sources such as the ABI which measures productivity are in fact too small to offer robust detailed analysis. As well as systematically excluding sole traders, as far as business activity goes, little data are available at 5-digit SIC level and for example production and distribution activity cannot be disaggregated.

The table below provides a full breakdown of employment in the Creative Media Industries from Skillset's primary research compared with estimates from official data sources. This is followed by a detailed comparative analysis.

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

Table 7 Labour Force Survey and Skillset Creative Media Employment Estimates - England

LABOUR FORCE SURVEY ³⁵²			SKILLSET ³⁵³		
INDUSTRIES			INDUSTRIES		
SIC 2007	Description	Total Employed	Main Sector	Sub-sector	Total Employed
60.2	TV Programming & Broadcasting activities	38,000	Television	Broadcast TV	13,250
59.11/3	TV Programme Production activities	19,200		Cable and Satellite	12,700
59.13/3	TV Programme Distribution activities	1,600		Independent Production	17,050
	Sub-total	58,800		Sub-total	43,000
60.1	Radio Broadcasting	15,900	Radio	Broadcast Radio	15,450
				Independent Production	1,000
	Sub-total	15,900		Sub-total	16,450
59.12	MP, V, and TV Programme Post-Production	5,300	Facilities	Post Production	7,200
				Studio and Equipment Hire	5,300
				Outside Broadcast	250
				VFX	6,900
				Special Physical Effects	600
				Manufacture of AV Equipment	2,900
				Processing Labs	300
				Other Services for Film and TV	17,500
	Sub-total	5,300			Sub-total
59.11/1	Motion Picture Production activities	17,800	Film	Film Production ³⁵⁴	10,200
59.13/1	Motion Picture Distribution activities	1,800		Film Distribution	900
59.14	Motion Picture Projection activities	7,400		Cinema Exhibition	15,400
				Moving Picture Archives and Libraries	300
	Sub-total	27,000		Sub-total	26,800

³⁵² ONS Labour Force Survey July 2009 – June 2010.

³⁵³ Skillset (2009) Employment Census except for Publishing, Photo Imaging, Advertising, Creative Occupations outside the industry and other business sectors of interest.

³⁵⁴ Secondary analysis of unit lists for 2009 feature film productions (80 minutes or longer) and Skillset (2009) Employment Census.

LABOUR FORCE SURVEY ³⁵²			SKILLSET ³⁵³		
59.11/2	Video production activities	5,900	Other Content	Animation	3,350
59.13/2	Video Distribution activities	3,300		Commercials and Pop Promos	3,800
18.20/2	Reproduction of video recording	-		Corporate Production	3,750
	Sub-total	9,200		Sub-total	10,900
			Interactive Media	Interactive Media	27,500
				Sub-total	27,500
			Content for Computer Games	Content and Development	6,450
				Sub-total	6,450
			Additional Available Freelancers		42,000
74.2	Photographic activities		Photo Imaging³⁵⁵	Photographic activities	
74.20/1	Portrait Photographic activities	14,400		Portrait Photographic activities	14,400
74.20/2	Other Specialist Photography not Portrait	1,800		Other Specialist Photography not	1,800
74.20/3	Film Processing	5,100		Film Processing	5,100
74.20/9	Other Photographic activities; n.e.c.	19,400		Other Photographic activities; n.e.c.	19,400
	Sub-total	40,800		Sub-total	40,800
58.11	Book Publishing	29,800	Publishing³⁵⁶	Book Publishing	29,800
58.12	Publishing of Directories & Mailing Lists	2,400		Publishing of Directories & Mailing	2,400
58.13	Publishing of Newspapers	39,200		Publishing of Newspapers	39,200
58.14	Publishing of Journals & Periodicals			Publishing of Journals & Periodicals	
58.14/1	Publishing of Learned Journals	n/a		Publishing of Learned Journals	n/a
58.14/2	Publishing of Consumer, Business and Professional Journals and Periodicals	42,000		Publishing of Consumer, Business and Professional Journals and	42,000
63.91	News Agency activities	7,200		News Agency activities	7,200
				Other information Service activities	
63.99	Other information Service activities n.e.c.	7,900			7,900

³⁵⁵ ONS Labour Force Survey July 2009 – June 2010.

³⁵⁶ Ibid

LABOUR FORCE SURVEY ³⁵²			SKILLSET ³⁵³		
58.19	Other Publishing	34,300		Other Publishing	34,300
	Sub-total	162,700		Sub-total	162,700
73.10	Advertising Agencies	67,700	Advertising³⁵⁷	Advertising Agencies	67,700
	Media Representation Services	20,700		Media Representation Services	20,700
	Sub-total	88,200		Sub-total	88,400
	TOTAL	408,500		TOTAL	505,900
OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY ³⁵⁸			OCCUPATIONS OUTSIDE THE CREATIVE MEDIA INDUSTRY ³⁵⁹		
SOC 2000	Description	Total employed	SOC 2000	Description	Total employed
3431	Journalists, Newspaper & Periodical Editors	24,600	3431	Journalists, Newspaper & Periodical	24,600
3432	Broadcasting Associate Professionals	9,100	3432	Broadcasting Associate Professionals	9,100
3434	Photographers & Audio-Visual equipment	18,900	3434	Photographers & Audio-Visual	18,900
1134	Advertising & Public Relation Managers	31,350	1134	Advertising & Public Relation	31,350
3433	Public Relations Officers	27,800	3433	Public Relations Officers	27,800
	TOTAL	111,750		TOTAL	111,750
INDUSTRIES + OCCUPATIONS ³⁶⁰			INDUSTRIES + OCCUPATIONS ³⁶¹		
	TOTAL	520,250		TOTAL	617,650

³⁵⁷ Ibid

³⁵⁸ Skillset's contract with UKCES states that Skillset has exclusive responsibility for occupations 3421, 3432 and 3434 and primary responsibility for 1134 and 3433.

³⁵⁹ Ibid

³⁶⁰ Ibid

³⁶¹ Ibid

OTHER BUSINESS SECTORS OF INTEREST ³⁶²			OTHER BUSINESS SECTORS OF INTEREST ³⁶³		
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	2,850		Publishing of Computer Games	2,850
62.01	Computer programming activities			Computer programming activities	
62.01/1	Ready-made interactive leisure and entertainment software development	8,100		Ready-made interactive leisure and entertainment software development	9,250
62.01/2	Business and domestic software development	161,300		Business and domestic software	182,800
62.02	Computer consultancy activities	204,300	Interactive Media	Computer consultancy activities	223,050
63.12	Web portals	1,100		Web portals	1,100
	TOTAL	378,050		TOTAL	419,450

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.

³⁶² 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.

³⁶³ Ibid

Table 7 shows employment estimates from the Labour Force Survey (July 2009 – June 2010) using SIC 2007 against those from Skillset sourced employment data where there is significant incompatibility, using the Skillset coordinated and industry endorsed classification system. Figures from both sources have been grouped in ways that differ slightly from their ‘natural’ organisation within the two respective systems in order to enable comparison: in other words, the sectors as defined within SIC are not listed in chronological order, and the broad sector groupings used for Skillset data do not in every case reflect how the sector is usually mapped, defined or presented by Skillset. The sector groupings used here are intended purely to illustrate where definitions are compatible and where they are not, and what is and is not included within each dataset.

Television

The LFS estimate of employment in television is considerably higher than Skillset’s (58,800 compared with 43,000). There are a number of likely explanations for this. Analysis of the data at sub-sector level shows a closer fit between the LFS estimate for 59.11/3 (TV Programme Production Activities) and Skillset’s estimate for Independent Production for TV (19,700 against 17,050). The real disparity is between the LFS estimate for SIC 60.2 (TV Programming & Broadcasting Activities) and Skillset’s combined estimate for Terrestrial TV and Cable and Satellite (38,000 against 25,950). The main reason for this is likely to be the diversification of activities now undertaken by broadcasters, and difference in the modes of classification between the LFS and Skillset’s Employment Census. Specifically, the BBC (by far the largest employer in this area) undertakes activity not only in Television Broadcasting, but also Radio, Interactive Media and Facilities (e.g. Post Production and Outside Broadcast). In the absence of suitable alternative classifications, it is likely that all or most individuals employed, say by the BBC, who respond to the LFS will be classified within 60.2. By contrast, the BBC provides Skillset with employment returns for the four sectors separately (Television, Radio, Interactive Media and Facilities). Employees and freelancers working in generic roles across the business are apportioned according to the relative size of each main area of business. Thus some of the workforce represented within 60.2 is counted by Skillset’s research within the categories of Radio, Facilities and Interactive Media rather than Television.

Radio

In contrast to Television, Skillset’s estimate for Radio comes out higher than that of the LFS – 16,450 compared with 15,900. In part, this is likely to be due to the phenomenon, already noted, of BBC employees across all areas of activity being classified as within 60.2 (TV

Programming and Broadcasting Activities) by the LFS, but within the specific area by Skillset.

Facilities

The Facilities sector encompasses a wide range of activities that provide support to Television, Film and related areas. The only of these areas captured by a discrete category within SIC is 59.12 (motion picture, video, and television programme post-production activities). The LFS reports 5,300 people to be employed in that activity, compared with 7,200 recorded by Skillset as working in Post Production. This will be due in part to the classification by the LFS as some individuals in Post Production within TV Programming and Broadcasting (60.2), as already noted. Some other individuals classified in other sub-sectors of Facilities by Skillset (e.g. Outside Broadcast and VFX), may also be classified by the LFS as within 60.2. However, many, employed in areas such as Studio and Equipment Hire and Other Services for Film and TV, are almost certainly excluded completely from LFS data cut to capture the footprint as they are probably counted within SICs that are 'core' to another SSC. This cohort of people almost certainly accounts for part of the overall discrepancy between the LFS and Skillset data. Skillset's estimate for the entire Facilities workforce is 40,900.

Film

The overall estimate of employment in film from the LFS is 27,000, very similar to Skillset's figure of 26,800. While Skillset's estimate of exhibition/projection is higher and the distribution figure is similar from each, the LFS estimate of employment in Film Production is considerably higher (17,800 compared with 10,200). The likely explanation for this is the classification by LFS of some individuals in film production who are recorded by Skillset in areas such as commercials or animation (see below – Other Content Creation).

Other Content Creation

The sum of these areas as recorded by Skillset comes in higher than the LFS estimate (10,900 compared with 9,200). As noted above, this is probably due to some of those classified here by Skillset being counted within Film Production by the LFS.

Interactive Media

Interactive Media accounts for employment of 27,500 people but is not classified as a discrete sector within SIC and therefore does not show up in official data estimates of Skillset's footprint from sources such as the LFS

Content for Computer Games

Content for Computer Games accounts for employment of 6,450 people but is not classified as a discrete sector within SIC and therefore does not show up in official data estimates of Skillset's footprint from sources such as the LFS.

Reconciling the Data

As has been noted above, there are some differences between the LFS and Skillset sources in how sectors are classified within and between Television, Radio, Film, Other Content Creation, and Post Production, but the overall estimates for combined employment in areas covered by SIC fit very closely.

Annex C Data Sources

Skillset sources:

- 'A Skills Review for the TV & Radio Sector', 2009.
- '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
- 'Employment Census', 2009, 2006, 2004, 2003, 2002, 2001, 2000.
- 'Feature Film Production Workforce Survey', Skillset/UK Film Council, 2008.
- 'Film Sector Employers: Skills and Training Needs in Production, Distribution & Exhibition, Skillset 2009.
- 'From Recession to Recovery', 2009.
- 'Mapping Creative Media and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK, 2010 (to be published 2011)
- 'Photo Imaging Workforce Survey', 2007 reported in reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest
- 'Strategic Plan, 2008-2011'.
- Strategic Skills Assessment for the Digital Economy, e-Skills UK, Skillset & Creative and Cultural Skills (2009)
- 'Submission to the Development of MAC Shortage Occupation Lists', 2010.

Third party sources:

- Annual Survey of Hours and Earnings, ONS (2010)
- Annual Review, NESTA, Feb 2009
- 'Attacking the Recession: How Innovation Can Fight the Downturn', NESTA Discussion Paper, December 2008.
- British Photographic Council (2010), Industry Survey of Photographers
- Brown, P. et al (2010) 'Skills are not enough: the globalisation of knowledge and the future UK economy' Praxis, No 4, Vol 10.
- CCS/TBR Workforce Survey, 2009
- 'Creative clusters and innovation: Putting creativity on the map', NESTA, November 2010
- 'Creative Industries Economic Estimates Statistical Bulletin', DCMS January 2009

- 'Creative Industries Technology Strategy 2009-2012', Technology Strategy Board 2009.
- Deloitte 200
- 'Digital Britain Final Report', DCMS June 2009.
- DLHE Survey, HESA 2007/08
- European Cluster Observatory (2010) 'Priority Sector Report: Creative and Cultural Industries
- HESA 2008/09
- IDBR 2009
- Individual Learner Record (ILR) 2008/09
- IPA (2009) Census
- K. Oakley (2009) '*Art Works*' – *cultural labour markets: a literature review*' Creativity, Culture and Education Series
- Labour Force Survey, ONS July 2009 – June 2010
- 'Media Predictions', TMT Trends 2009, Deloitte, 2009.
- National Employer Skills Survey for England (2009), UKCES
- OFCOM (2008) The Communications Market: Radio
- 'Raise the Game', NESTA, 2008.
- RAJAR, 1st Quarter 2010
- Screen Digest figures reported in 'The Global Animation Industry: facts and stats' in IMAGINE Nov/Dec 2009
- 'Statistical Yearbook', UK Film Council, 2010.
- 'The UK Facilities Sector', UK Screen (2010),
- 'The Future of Advertising and Agencies: A 10-Year Perspective', Future Foundation and Institute of Practitioners in Advertising, 2006
- Towards 2014, the search for value in the digital supply chain, PwC 2010.
- Universities UK (2010), Creating Prosperity: the role of education in driving the UK's creative economy
- UK Employment and Skills Almanac 2010
- 'Working Futures 2007-2017', Warwick Institute for Employment Research (IER) and Cambridge Econometrics, December 2008.

Web only sources:

- http://budgetresponsibility.independent.gov.uk/d/pre_budget_forecast_140610.pdf
- www.hm-treasury.gov.uk/leitch_review_index.htm
- www.ikt.org.uk/resource/files/2009/11/02/creative%20industries%20strategy.pdf

- <http://news.bbc.co.uk/1/hi/entertainment/8225954.stm>
- www.skillset.org/careers
- www.skillset.org/interactive/industry/
- www.skillset.org/interactive/industry/article_6921_1.asp
- www.youview.com

Annex D Acknowledgements

Skillset would like to thank the following for their involvement in this SSA:

Nick Isles, Corporate Agenda
John Knell, Intelligence Agency

All those who participated in the studies cited.

Skillset's Research Committee which guides the development of Skillset's Research Programme. Visit www.skillset.org/research/committee/article_7341_1.asp for a full list of membership.