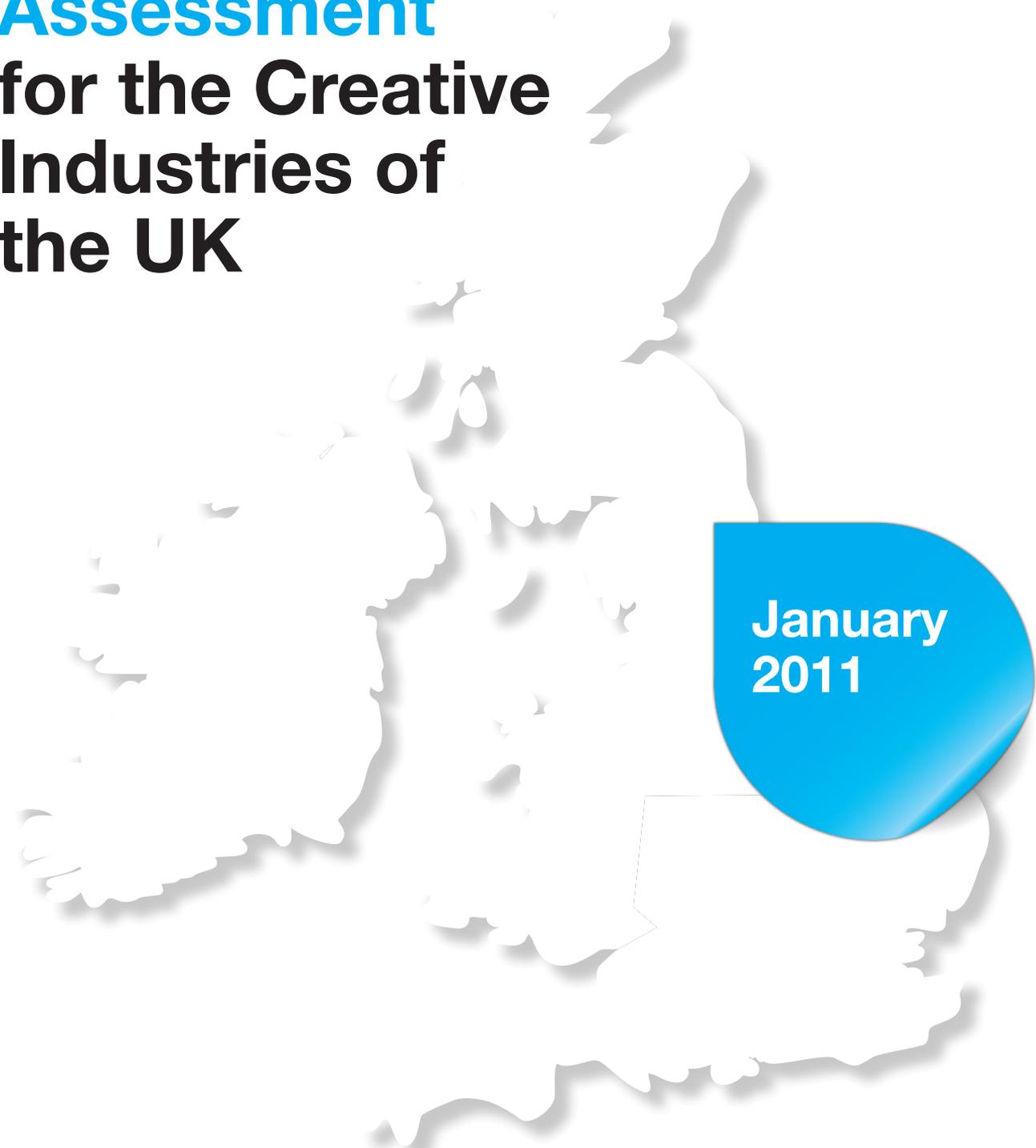


Sector Skills Assessment for the Creative Industries of the UK



January
2011

Contents

Page

| | |
|--|------------|
| 1. Introduction | 2 |
| 1.1 Defining the Creative Industries..... | 2 |
| 1.2 A cornerstone sector of the UK economy | 11 |
| 2. What drives demand in the Creative Industries? | 19 |
| 2.1 The Contribution of the Sector..... | 19 |
| 2.2 Drivers of Growth, Drivers of Change | 20 |
| 2.3 The Creative Industries Economy..... | 21 |
| 2.4 The Creative Industries Workforce | 28 |
| 2.5 Skills mismatches, acquisition and utilisation..... | 38 |
| 2.6 The Sub-Sector Story | 42 |
| 3. Current Skills Needs | 44 |
| 3.1 Overview | 44 |
| 3.2 Skills Shortages..... | 45 |
| 3.3 Skills Gaps | 45 |
| 3.4 Skills Supply: The External Versus the Internal Labour Market Conundrum | 48 |
| 3.5 Sub-Sectors | 58 |
| 4. Anticipating What Lies Ahead | 126 |
| 4.1 A Necessary Broadening and Deepening of the Skills Base | 132 |
| 5. The Geography of the Creative Industries | 135 |
| Annex A: Methodology Section | 137 |
| Annex B: Creative Industries and Gaps in Official Data Sources | 139 |
| Annex C: Research strategies developed by CCSkills and Skillset | 141 |
| Annex D: Data Sources | 146 |

Introduction

This Sector Skills Assessment (SSA) provides comprehensive Labour Market Information on the Creative Industries for sector employers to use in strategic planning and communication of occupational needs. It contains information from both national secondary sources as well as original research undertaken by Sector Skills Councils.

Three Sector Skills Councils represent employers across the majority of the sectors within the Creative Industries; they are Skillset, Creative & Cultural Skills (CCSkills) and e-Skills UK. This SSA should be read in conjunction with the SSAs for Creative Media, Fashion and Textiles, Creative & Cultural Skills, and e-Skills UK: Technology Insights 2011.

Defining the Creative Industries

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

Box 1: The Scope of Creative Industries

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

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

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

support. For example, the data excludes many of those working in Interactive Media, Content for Computer Games, Facilities, and freelancers currently not in employment. Other sectors poorly represented by the data are Design, Literature, Visual Arts, Music, Performing Arts and all Craft activity. See Annex B for full methodology.

Industry wide figures quoted in this report, such as those reported by the DCMS and NESTA, include all sectors in the DCMS definition. However, where Creative Industries are referred to throughout the remainder of the report, Software and Electronic publishing¹, Computer Games² and Architecture³ are excluded except when referring to the DCMS Creative Industries Economic Estimates.

For Fashion and Textiles specifically, industry-wide figures quoted for the Creative Industries such as those from DCMS and NESTA include the Designer Fashion sector only, whereas other research referenced in this report cover all Fashion and Textiles sectors⁴ (except for the analysis of data from the LFS and NESS).

Given these caveats, it is worth outlining the range of approaches used to define and collect accurate data for the creative industries.

Department for Culture, Media and Sport (DCMS)

The most widespread definition of the creative industries currently being used is the Department for Culture, Media and Sport's Creative Industries Mapping Project. From key publications in 1998⁵ and 2001⁶ it has brought together a disparate group of industrial categories under the broad heading of the 'creative industries'. These categories are described below. These industrial sectors are defined by their core activities, namely managing creativity and innovation; and the production and consumption of original ideas.

1. Advertising
2. Architecture
3. Art and antiques
4. Crafts

¹ For Software refer to research produced by e-skills UK.

² Computer Games (and Visual Effects) are excluded from this SSA in view of the forthcoming Livingstone/Nesta review of skills in CG and VFX due for publication in January 2011 to which Skillset and e-skills UK have contributed. In the Facilities and Animation Sub-Sector sections of this report, VFX data are included as it is difficult to disaggregate this data for reporting purposes.

³ Architecture is not covered by any of the sector skills councils at present.

⁴ Fashion and Textiles sectors: Design, Apparel and Sewing Products, Textiles/ Technical textiles, Footwear, Leather and Leather Goods, Laundry and Dry Cleaning.

⁵ 1998 Creative Industries Mapping Document, DCMS

⁶ 2001 Creative Industries Mapping Document, DCMS

5. Design
6. Designer fashion
7. Film and video
8. Digital and entertainment media
9. Music
10. The performing arts
11. Publishing
12. Software and electronic publishing
13. Television and radio

This approach is not without its critics. O'Connor⁷ for example states that “The immediate problem was that the DCMS definition simply did not describe the complex structure of the creative industries sector or the employment and remuneration arrangements of the majority of those within it.” This is certainly the case for a number of sectors within its remit, for example craft and design. Part of the issue here is the lack of resources given to such an industry strategy and importantly, the absence of any real intelligence about it.

The fundamental difficulty associated with deriving robust, replicable, sustainable and comparable statistics for the creative industries is that in order to do so, one must use the classic Standard Industrial and Standard Occupational classification systems. SIC and SOC systems are widely used and relied upon for defining sectors, industries, workforces and occupational groups, but they have significant shortcomings, particularly when associated with emerging industries and those that are defined more broadly by the activity that occurs within organisations rather than a pure assessment of output. Furthermore, the size of the surveys that underpin key data sources (e.g. APS and ABI) are in fact too small to offer robust detailed analysis of smaller sub-sectors.

This problem of accessing appropriate statistical data will continue to prove problematic for meaningful assessment of the creative industries to take place. However, building on the work of the DCMS, a number of other definitions have been considered.

⁷ 2007 The Creative Industries: A Review of the Literature, O'Connor, J.

David Throsby

At around the same time as the DCMS Mapping Project, Professor David Throsby⁸ developed an economic model to describe the economic inter-dependencies between some of what became the DCMS 13. His model described concentric circles, with the 'cultural value of cultural goods' being passed outward from an inner 'core' to broader economic categories which further analyzed those cultural goods.

- Core creative arts: Literature; Music; Performing arts; Visual arts.
- Other core cultural industries: Film; Museums and libraries.
- Wider cultural industries: Heritage services; Publishing; Sound recording; Television and Radio; Video and computer games
- Related industries: Advertising; Architecture; Design; Fashion

Throsby's assessment of the creative industries led directly to *Staying Ahead*⁹ by the Work Foundation.

The Work Foundation

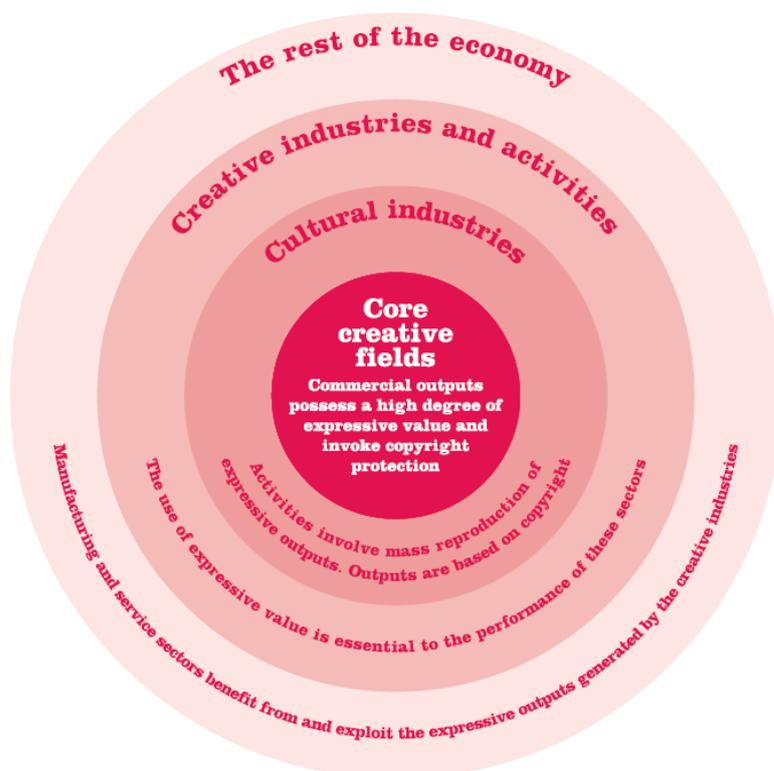
Staying Ahead built on Throsby's central ideas to create a typology and model of the creative industries. The model highlights the connections, similarities and points of differentiation between the 'core creative fields', the 'cultural industries' and the 'creative industries', which articulates the way in which the creative industries commercialise acts of origination of expressive value and sets them within the wider economic context (see Figure 1a). Within this approach, "A clear connection is being established ... between economic and cultural policy; this cultural policy has real economic impacts – and these impacts are identified in this as in many other reports – but promotes these cultural values as valuable and legitimate in themselves, part of contemporary public culture¹⁰."

⁸ 2001 *The Economics of Culture*, Throsby, D.

⁹ 2007 *Staying Ahead: The Economic Performance of the UK's Creative Industries*, The Work Foundation

¹⁰ 2010 *Creative Block: The Future of the UK's Creative Industries*, The Work Foundation

Figure 1a: Work Foundation definition of the creative industries¹¹



Sector Grouping and Categorisation

Other approaches, as exemplified by NESTA in Creating Growth¹² suggest grouping the sector by activity in order to encourage a greater awareness of the differences between (and within) the sectors; and to draw out commonalities based on the ways in which commercial value is created.

NESTA's model segments the creative industries into four groups, bringing together those sectors that have sufficient commonalities (in terms of business models, value chains, market structure and so on) as to warrant a common approach for policy (see figure 1b). Essentially the model is as follows:

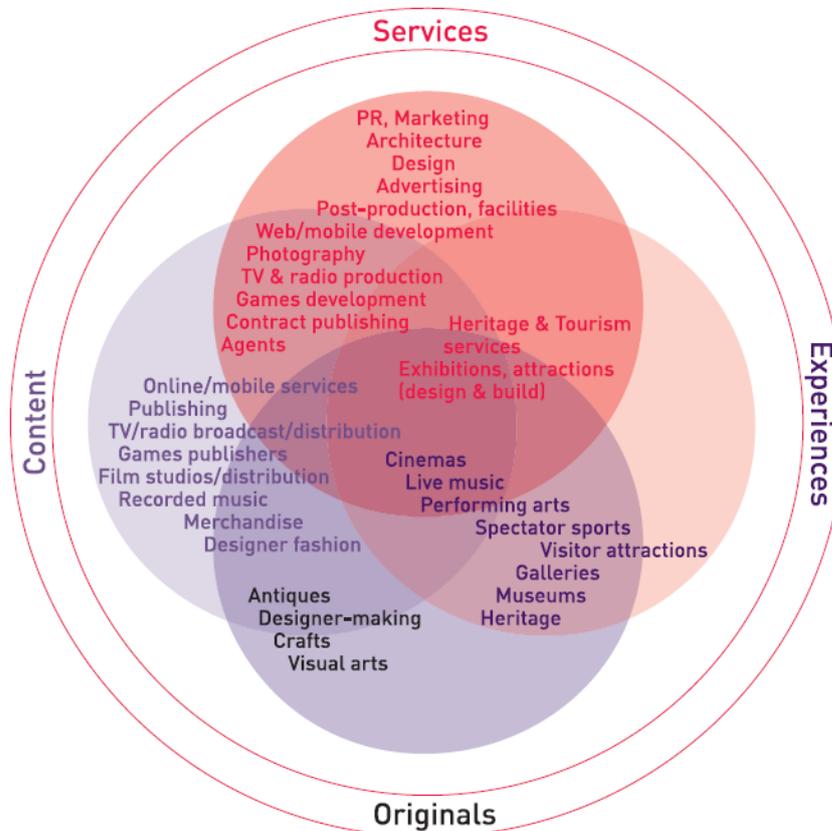
- Creative originals producers – artisans, craft workers, design makers
- Creative experience providers – where the experience is consumed at the time and place of performance – theatre, opera, dance
- Creative content producers – where original intellectual property is creative – film, TV, games and music, publishing, fashion

¹¹ 2007 Staying Ahead: The Economic Performance of the UK's Creative Industries, The Work Foundation

¹² 2006 Creating Growth: How the UK Develop World Class Creative Industries, NESTA

- Creative Service providers

Figure 1b: NESTA Creating Growth creative industries model¹³



In 2008, NESTA furthered this idea by providing a methodological approach for the collection and analysis of statistical data for the creative industries¹⁴. This *Creative Trident* model brought together those working in the creative industries and those working in specialist creative jobs in other firms and organisations in order to analyse the number of people employed in creative activities and industries.

Three types of employment were focused on:

- Specialist artists, professionals or creative individuals working in creative industries;
- Support staff in those industries providing management, secretarial, administrative or accountancy back-up;
- Creative individuals 'embedded' in other industries not defined as 'creative'.

¹³ Ibid

¹⁴ 2008 Beyond the Creative Industries: Mapping the Creative Economy in the UK, NESTA

Collectively, they are the creative workforce

The workforce was then categorized into six further classifications; advertising and marketing; architecture, visual arts and design; film, TV, radio and photography; music and performing arts; publishing; and software, computer games and electronic publishing.

While it differs from previous models in that it uses population data (from the 2001 census); an assessment of creative occupations inside and outside of core creative industries; and provides a model to assess earned income, it does suffer from similar problems as those described above – namely the availability and analytical power of using national statistics.

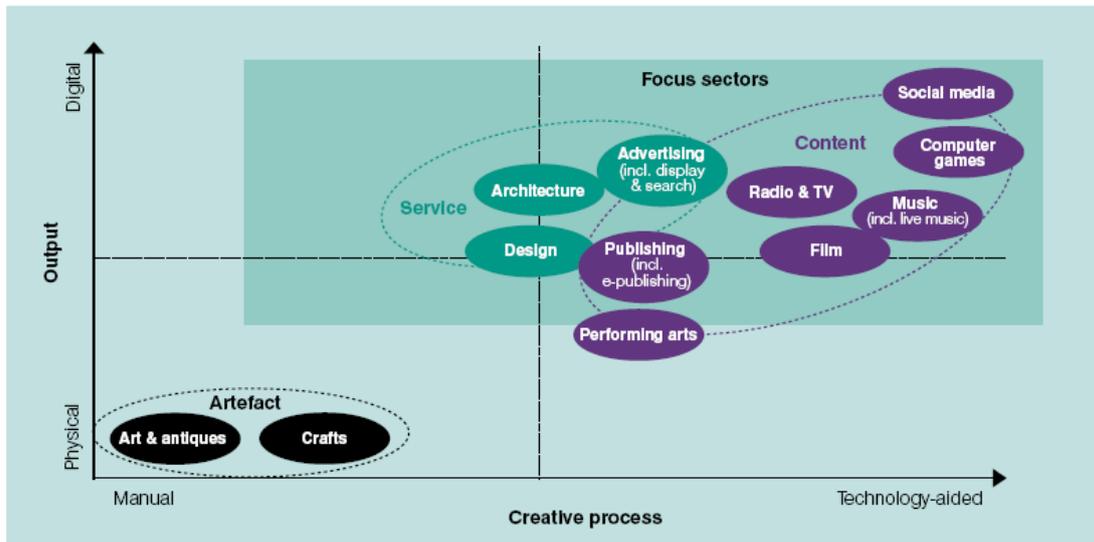
The Technology Strategy Board

The Technology Strategy Board¹⁵ provide a final, further approach based on segmentation. Given the speed of technological change and market development since the original definition of the creative industries was first coined by DCMS in 1998 and 2000, and the resulting blurring of boundaries between some sub-sectors and increase in the degree of disparity in others, they suggest identifying areas of commonality and clustering of sub-sectors. This has involved identifying the impact of two key factors: the importance of technology to innovation occurring in the specific creative industries and the nature of the final output. This has led to three main categories:

- Services – Advertising, Architecture and Design (including Fashion Design);
- Content – Games, Film, TV, Radio, Publishing, Music (and Performing Arts: dance, theatre etc); and
- Artefacts – Fine Arts, Crafts
- Social media – a new category focusing on consumer generated content

¹⁵ 2009 Creative Industries Technology Strategy 2009-2010, Technology Strategy Board

Figure 1c: Technology Strategy Board – Creative industries segmentation strategy¹⁶



The collection of Labour Market Information and Sector Skills Councils

To varying degrees the above definitions provide responses based on business models and activity rather than outputs, and provide a broad assessment of the possible spillovers of creative activity into wider parts of the economy. Notwithstanding NESTAs Trident methodology, there is still a significant issue associated with the collection and analysis of data for the creative and cultural industries, irrespective of the theoretical application of differing models.

This is where the work of Sector Skills Councils has been particularly beneficial. As part of SSC's core remit, developing an understanding of the segmentation and adaptation of official sources of data for analyzing the economic success of the sector is key. Both Creative & Cultural Skills and Skillset have developed methods by which more relevant data for the industry can be produced and comprehensive programmes of primary research to fill the gaps left by national data sources. See Annex C for further details.

All research produced by Creative & Cultural Skills and Skillset goes through a process of industry validation and endorsement to ensure its relevance and accuracy.

¹⁶ Ibid

Creative and digital

Defining the Creative Industries accurately is thus a major and ongoing challenge, particularly in view of the increasing overlap of creative and digital. A report published by NESTA in November 2010 describes the relationship between digital and creative thus 'digitisation is making creative firms more technology-intensive.'¹⁷ The report goes on to comment that 'To remain competitive in online, convergent and data-rich markets, they (Creative Industry firms) are procuring and producing technologies, tools and technology related knowledge that could be used in other tech-rich sectors of the economy.'¹⁸ As a report published by BIS in December 2010 highlighted: 'Digital and Creative Industries' are among the first set of sectors that the forthcoming Government Growth Review will focus on.¹⁹

One common defining characteristic of all Creative Industries is that they exist primarily to generate creative content and are dependent on exploitation of IP, but increasingly the boundaries between these businesses and sectors are becoming blurred.²⁰

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' that is a key determinant for growth.

The nature of and activities associated with the creative industries mean that the development of one consistent understanding of the structure, spillovers and influence of the sector will always be a complex issue, open to many competing and complementary theories. As with all data published about the sector, the reader is advised to exercise caution in deriving conclusions and to use this report to provide a broad understanding of some of the issues at hand.

¹⁷ www.nesta.org.uk/areas_of_work/creative_industries/geography_of_innovation/assets/features/creative_clusters_and_innovation_report

¹⁸ Ibid

¹⁹ www.bis.gov.uk/assets/biscore/corporate/docs/p/10-1296-path-to-strong-sustainable-and-balanced-growth.

²⁰ www.nesta.org.uk/areas_of_work/creative_industries/geography_of_innovation/assets/features/creative_clusters_and_innovation_report

1.2 A cornerstone sector of the UK economy

The Creative Industries are now a major contributor to the UK economy. The latest figures for the whole of the Creative Industries²¹, excluding Crafts, showed that Creative Industries accounted for 5.6% of Gross Value Added (GVA) in 2008, with crafts contributing an additional £3.1billion of GVA in 2009 and Literature an additional £2billion.²² In addition the Creative Industries grew by an average of 5% per annum between 1997 and 2008. This compares to an average of 3% for the whole of the economy over this period.²³

Table1: Employment, GVA and number of businesses within the Creative Industries

| | Employment (2010) | | GVA (2008) | | Businesses (2010) | |
|--|-------------------|---------------|------------|---------------|-------------------|---------------|
| | Total No. | % of UK total | GVA (£bn) | % of UK total | Total No. | % of UK total |
| Advertising | 299,200 | 1.0% | 7,800 | 0.7% | 14,800 | 0.7% |
| Architecture ²⁴ | 128,400 | 0.4% | 3,600 | 0.3% | 11,500 | 0.5% |
| Art & Antiques | 9,800 | 0.0% | 300 | 0.0% | 2,700 | 0.1% |
| Crafts | 111,400 | 0.4% | - | - | - | - |
| Design | 225,400 | 0.8% | 1,600 | 0.2% | 14,200 | 0.7% |
| Designer Fashion | 9,700 | 0.0% | 100 | 0.0% | 900 | 0.0% |
| Film, Video & Photography | 60,500 | 0.2% | 2,700 | 0.3% | 9,900 | 0.5% |
| Music & Visual and Performing Arts | 305,800 | 1.0% | 3,200 | 0.3% | 30,800 | 1.5% |
| Publishing | 236,600 | 0.8% | 10,100 | 1.0% | 7,700 | 0.4% |
| Software & Electronic Publishing ¹³ | 753,000 | 2.6% | 26,400 | 2.5% | 81,700 | 3.9% |
| Digital & Entertainment Media ²⁵ | 6,200 | 0.0% | 200 | 0.0% | 200 | 0.0% |

²¹ DCMS Creative Industries Economic Estimates, December 2010
www.culture.gov.uk/what_we_do/research_and_statistics/4848.aspx.

²² Creative & Cultural Skills (2011) Creative and Cultural Industries: Impact and Footprint 2010/11

²³ DCMS Creative Industries Economic Estimates, February 2010. Estimates of GVA growth of the Creative Industries have not yet been fully updated in latest DCMS statistical release (December 2010)

²⁴ These sectors are not included in the remainder of the report.

²⁵ This sector includes SIC codes 58.21 Publishing of Computer Games and 62.01 Computer Programming Activities. Computer Games are excluded from this SSA in view of the forthcoming Livingstone/Nesta review of skills in CG due for publication in January 2011 to which Skillset and e-skills UK have contributed

| | | | | | | |
|----------------------------------|------------------|-------------|---------------|-------------|----------------|-------------|
| TV & Radio | 132,300 | 0.5% | 3,200 | 0.3% | 7,700 | 0.4% |
| Total Creative Industries | 2,278,500 | 7.8% | 59,100 | 5.6% | 182,100 | 8.7% |

Source: DCMS Creative Industries Economic Estimates, December 2010

Moreover exports of services by the Creative Industries totalled £17.3 billion in 2008. This equated to 4.1% of all goods and services exported.

Growth in the Creative Industries has been robust. In the summer quarter of 2010, creative employment totalled 2.3 million jobs. This comprised over 1.3 million jobs in the Creative Industries and over 1 million further creative jobs within businesses outside these industries. This was double the whole economy growth rate for jobs of 1%.²⁶ 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.²⁷ The Music and Visual & Performing Arts sector had the highest numbers of self-employed people, with over 200,000.²⁸

1.3 A globally competitive sector

Reflecting this performance profile the UK Creative Industries sector continues to rank impressively against international competition. Exports from across the Creative Industries are worth £16 billion annually to the UK economy, 4.3 per cent of all goods and services.²⁹ In terms of the export of creative services it is estimated that the UK is second only to the US in world rankings.³⁰

There is also strong evidence that the UK has developed a leadership position within Europe. In a recent study of the top 100 European MediaTech companies to watch, the UK dominated with a 60% share. This highlights UK leadership in exploiting the potential of digital content, with search, games, advertising and social media

²⁶ DCMS Creative Industries Economic Estimates, December 2010
www.culture.gov.uk/what_we_do/research_and_statistics/4848.aspx.

²⁷ DCMS Creative Industries Economic Estimates, February 2010.
www.culture.gov.uk/what_we_do/research_and_statistics/4848.aspx.

²⁸ It should be noted that here and elsewhere that labour market data collated by the Sector Skills Councils is often more closely defined and delivers different results. For example CCSkills own data show that the combined total for self employed workers for Music and Visual and Performing Arts is approximately 164,000. But the largest single sector for self employed workers is design with nearly 105,000. Indeed the logic of combining these three sectors as DCMS has done is somewhat at odds with how those sub sectors view themselves.

²⁹ BIS, HM Treasury (2010.22) 'The path to strong, sustainable and balanced growth'

³⁰ See Technology Strategy Board (2009) 'Creative Industries: Technology Strategy 2009-2012' quoting DCMS: Creative Industries Economic Estimates Statistical Bulletin (January 2009)

generating the most interest.³¹

1.4 Striking growth potential balanced with cautious business optimism

This strong historical performance is creating significant future opportunities – in terms of the striking growth potential of the UK's digital and Creative Industries. NESTA estimate that if the Creative Industries can identify successful business models, they will contribute £85 billion in value added by 2013, employing 1.3 million, more than the financial services sector.³² Apart from the digital elements of the Creative Industries other sub sectors have also been growing strongly. Performing Arts has grown by 4% a year since 2003. The demands of the so called 'experience economy' are proving invaluable for many parts of the Creative Industries.

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 2014.³³ This compares to whole economy growth over this period predicted at just over 2%.³⁴ Given the optimism reported by industry representatives in Skillset's October 2010 qualitative research these assumptions look highly realistic.³⁵ Global growth in the E&M market is expected to reach 5% year-on-year and total \$1.7 trillion by 2014.

CCSkills footprint is expected to grow in employment terms by 32% over the next 10 years. This is compared to 6% growth across the whole UK economy. This employment growth is driven mainly by performing arts (year on year growth of 6.4%); visual arts (year on year growth of 5.2%) and design (year on year growth of 3.9%).³⁶

In economic terms the GVA of the CCSkills footprint is expected to increase by 31% over the next decade, compared to 25% for the UK economy in general. This growth is driven by performing arts (year on year growth of 5.7%); visual arts (year on year growth of 4.5%); and design (year on year growth of 3.22%).³⁷

³¹ See Technology Strategy Board (2009.16) ' *Creative Industries: Technology Strategy 2009-2012* '

³² Kestenbaum, J (2009) ' *Ensuring economic growth of the UK's Creative Industries* '; Creative Industries Conference, 2009

³³ Towards 2014, the search for value in the digital supply chain PwC 2010

³⁴ http://budgetresponsibility.independent.gov.uk/d/pre_budget_forecast_140610.pdf

³⁵ Skillset's employer and stakeholder qualitative framework 2010

³⁶ Creative & Cultural Skills (2011) Occupational, Skills and Productivity Forecasting

³⁷ Ibid

In the face of these bullish predictions, the industry as a whole is cautiously optimistic about the prospects for future growth but is concerned about the skills match of many new entrants and those already working to the needs of industry within the Creative Industries, and ongoing rigidities in the educational and training infrastructure in adapting to changing needs.

1.5 Supporting Future Growth

Perhaps unsurprisingly then the Government's recently announced *Growth Review* includes the Digital and Creative Industries as one of six priority growth sectors which they believe are likely to justify prioritised actions to support future growth. The Treasury and BIS note that the sector is driven by clusters of interdependent firms both within and outside Creative Industries, suppliers and institutions. This SSA underlines that the Government's Growth Strategy needs to be mindful of the atypical characteristics of the creative sector (a strong start-up culture; an external labour market made up of a few large firms and many sole traders and freelancers). Future industrial and skills policy must address these features more directly to create a genuinely supportive environment for future growth. Further reform of the 'supply side' (provision of education and training) will be required to bridge persistent skills gaps, alongside a range of other appropriate fiscal interventions.

Additionally, one might expect the Growth Review to enrich our understanding of creative firms as increasingly technology-intensive, which is broadening their ability to connect with and work alongside other technology led businesses. As NESTA have noted, to remain competitive in online, convergent and data-rich markets, creative firms are procuring and producing technologies, tools and technology-related knowledge that could be used in other tech-rich sectors of the economy, increasing their value added contribution to the rest of the economy.³⁸

1.6 An ongoing need for methodological innovation around measurement

This growing scope of creative firms, and the heightened public policy interest in supporting their future growth, underlines the need for ongoing methodological innovation around measuring their value creating activities. Measurement of the Creative Industries continue to be beset by two key challenges – the pace of change,

³⁸ Chapain, C et al (2010.43) '*Creative clusters and innovation: putting creativity on the map*' NESTA

and the changing nature of creative and digital innovation, which is embedding the innovations of creative businesses across other sectors of the economy, and expanding their future economic reach and potential.

Both in the UK and internationally, the key challenge is the inability of official statistics to keep pace with rapid changes and consequent classification problems that occur in the Creative Industries. Other challenges relate to the scope of particular sectors, where statistics cannot identify all of the constituent parts of an industry.³⁹

As importantly, recent work from NESTA has reaffirmed that the innovation and growth potential of the sector is being underplayed by standard approaches to measurement. For example traditional indicators of innovation (such as R&D investments or number of patents) fail to capture many innovative activities in the Creative Industries. The innovation outputs from creative businesses are instead very often intangible, 'co-produced with consumers', simultaneous (consumed as they are produced), heterogeneous and perishable, making them extremely difficult to measure.⁴⁰

All of which underlines the ongoing priority for Skillset, e-skills UK and CCSkills and other key agencies to build on the work they have done over the last 10 years to develop a more granular and accurate set of labour market data that both government and industry can use.

1.7 An atypical sector that will have to innovate to meet current and future skills needs

The Creative Industries sector as a whole is fundamentally a sector that remains dominated by small and medium size enterprises that illustrate the characteristics of an external labour market. 'Tournaments for entry'⁴¹ are 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.

³⁹ The British Council (2010) '*Mapping the Creative Industries: A toolkit.*' Creative and Cultural Economy series 2.

⁴⁰ Chapain, C et al (2010.17) '*Creative clusters and innovation: putting creativity on the map*' NESTA

⁴¹ Tournaments for entry are increasingly replacing the more structured routes into a sector that prevailed a generation ago. People wishing to enter a sector engage in an extended 'tournament' with other would be entrants often offering services for free and building networks of patronage to enable them to succeed. For a good discussion see <http://cep.lse.ac.uk/pubs/download/dp0989.pdf>

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.

1.8 Current Skills Needs

The main areas of skills needs and shortage reflecting the challenges of digitization and a markedly different public sector environment are:

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

Multiplatform skills (relevant to some digital sectors of the Creative Industries): the creative and technical skills to produce content for distribution across all potential platforms, and the ability to understand and exploit technological advances. Recent research confirms that creative businesses are having to invest heavily in in-house R&D and new software and hardware, which in turn means that a significant and growing proportion of their staff are focused on activities that require high levels of technology rated skills.⁴²

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

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

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

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

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

⁴² Chapain, C et al (2010.32) 'Creative clusters and innovation: putting creativity on the map' NESTA

Diagonal thinking skills: 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.

Supply chain management: managing disaggregated production processes across continents

Foreign language skills: as part of operating in a global marketplace

Other Business Skills: These include Human Resources competency, Financial management and project management

Fundraising skills: These are particularly in demand for Performing Arts, Visual Arts and Cultural Heritage.

Creative skills: These include skills such as story-writing, music composition, etc and are often in demand for Film, Literature, Performing Arts, Music and Cultural Heritage sub sectors.

Appropriate “associate professional and technical roles”: these relate specifically to specialist skills relevant to specific occupations. The sector is highly qualified, but has skills shortages and gaps in specialist roles. Much of the training that occurs, does so to re-skill individuals entering the sector, which is then very ad hoc and informal and resource heavy for small businesses.

1.9 The emergence of more dynamic and responsive training provision

The sector as a whole is characterised by high levels of level 4 and above qualifications. Around 60% of the Creative Industries have degrees or equivalent and many in subjects directly relevant to the industry. Within Creative Industries there is a wide variation in the numbers holding degrees with for example 92% in animation, 88% in web and internet, 79% in visual arts, 78% in literature, down to 51% in cinema exhibition, 42% in music and 28% in craft.⁴³ This compares with just 37% of adults who hold level 4 qualifications or above across the whole UK workforce.⁴⁴

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

⁴⁴ LFS, ONS July 2009 – June 2010.

But more needs to be done to create a better supply of 'job-ready' graduates into the Creative Industries as a whole. A better fit between employers and FE and HE providers needs to be developed with more relevant and up-to-date courses. For example Skillset's Media and Film Academy Network and Accredited courses seem to be generating impressive results, with a third (33%) of students completing Skillset Accredited Courses finding employment in all Skillset relevant industries within 6 months after graduating⁴⁵, almost twice the percentage of students from Skillset relevant courses.⁴⁶ The National Skills Academy (NSA) for Creative and Cultural is a key delivery partner for their Apprenticeships programme. Through the Apprenticeship Training Service offered by the NSA, new relationships with employers and partners are being brokered and more Apprentices are thus being developed in the sector.

Though many of the SMEs in the Creative Industries sector continue to rely on ad hoc training and work base learning on the job there is a growing recognition that more support is required. As a consequence employers are becoming much keener to promote greater uptake of Sector Skills Council backed courses and accreditation services which identify provision that best meet industry needs, although this does depend on the sector in question. However, developing a more honed supply chain into the Creative Industries will require additional resources at a time when the public purse is more constrained than ever. This will require an even higher degree of self reliance across the Creative Industries than previously.

⁴⁵ All Skillset relevant industries are industries that Skillset has sole responsibility for and those it shares with other SSCs.

⁴⁶ DLHE Survey, HESA 2007/08 from Skillset/Research As Evidence (October, 2010) Mapping Creative Media Industries and Fashion & Textiles Relevant Education and Learning and development Provision in FE, HE, and the Private Sector in the UK.

2. What drives demand in the Creative Industries?

2.1 The Contribution of the Sector

Creative Industries is one of the UK's major industrial sectors. It is a highly productive provider of creative content that is innovative and world class and makes the UK a world-class player in Creative Industries and the market leader in Europe. According to Prime Minister, David Cameron, the Creative Industries are central to the new opportunities for growth over the next 10 years. 'We have great industrial strengths across our country, underpinned by world-beating companies. Green technologies in the North East. Creative Industries in London, Manchester and Glasgow. Financial services in Edinburgh. In retail, pharmaceuticals and advanced engineering. We have made the strategic decision to get behind these strengths'.⁴⁷

As Table 1 below shows, the Creative Industries have now established themselves as one of the most important industry sectors, both in terms of GVA contribution and total employment generated across the sector.

Table 2 – Comparison of individual economic indicators between the Creative Industries and other leading UK Industries

| Industry type | Employment | Contribution to GVA |
|-------------------------|------------|---------------------|
| Aerospace – 1 | 1,124,000 | 1.7%# |
| Pharmaceuticals – 1 | 72,000 | 4% |
| Energy – 2 | 137,800 | 4.8% |
| EPES* & ICT – 2 | 1,820,000 | 10% |
| Construction – 1 | 1,862,000 | 1.8%# |
| Financial Services – 2 | 1,028,000 | 7.9% |
| Manufacturing – 2 | 3,000,000 | 12% |
| Creative Industries – 3 | 1,300,000 | 5.6% |

1 2006; 2 2007; Source ONS and Industry Estimates. Includes software and reproduction of computer media; 3 DCMS experimental statistics

* Electronics, Photonics and Electrical Systems

GDP

Moreover in comparison to some other knowledge economy sectors the Creative Industries are now outstripping other high performing sectors in terms of the rate of job growth. According to the Government's own data Creative Industries created job growth of over 2% per annum between 1997 and 2010 compared with job growth of

⁴⁷ www.number10.gov.uk/news/speeches-and-transcripts/2010/10/creating-a-new-economic-dynamism-56115

around 1% in financial services over the same period.⁴⁸ This amounts to jobs growth of over 400,000 new jobs compared with 120,000 in financial intermediation services for that period and year-on-year growth in GVA of 4% against 8% for financial intermediation services.⁴⁹ In short 1% growth in GVA creates roughly four times as many jobs as similar levels of growth in GVA in financial intermediation services. Fashion and Textiles however saw jobs fall between 2004 and 2008 by around 4%.⁵⁰

In terms of the broader economy, creative functions are also deeply embedded in other sectors. One of the reasons for this is the level of innovation that creative occupations enjoy. Innovation has always been an important driver of productivity and performance but in creative occupations it is arguably *the* driver of value adding output. This is especially true of the core content producing areas. The increase in co-production with end-users who utilise the developments in digital technology and new viral marketing techniques that encourage positive feedback loops also accentuate the importance of innovation and the innovation process.⁵¹

2.2 Drivers of Growth, Drivers of Change

The UK's knowledge economy, in which Creative Industries, financial services, health, education and high-medium tech manufacturing form the core, is driven by increasing levels of innovation and co-production with users and customers. Such co-production enables Creative Industries to respond more quickly to new developments. This is particularly the case with digital innovation.⁵²

Certain segments of the Creative Industries are predicted to grow particularly strongly in the years ahead. Employment growth projections, extrapolated from LFS data only and excluding some sub-sectors and freelancers, assume employment growth across the sector of over 4% by 2012 from a benchmark of 2007.⁵³ This is against a backdrop

⁴⁸ Extrapolated by authors from labour market and other government statistics - www.statistics.gov.uk/statbase/Source.asp?vlnk=358 and Creative Industries Economic Estimates Statistical Bulletin, DCMS January 2009

⁴⁹ Ibid

⁵⁰ DCMS definitions of Fashion and Textiles only includes Designer Fashion

⁵¹ See: www.nesta.org.uk/areas_of_work/creative_industries/geography_of_innovation/assets/features/creative_clusters_and_innovation_report and Miles, I and Green, L (2008) *Hidden Innovation in the Creative Industries*, NESTA, London

⁵² www.berr.gov.uk/files/file51023.pdf

⁵³ Working Futures (2007-2017) (2008) SC/IER/CE electronic resource. Please note that the Working Futures projections are based on a model that uses official Government data sources so they do not include Facilities, Interactive Content, Content for Computer Games, freelancers between jobs (LFS) or any freelancers at all (ABI). As such they are likely to be highly conservative estimates of growth.

of growth in the whole economy over the next 4 years that will see 2 million private sector jobs created at a growth rate of less than 2% per annum.⁵⁴

Specifically the Creative and Cultural industries are expected to grow significantly over the next ten years. Employment in the industry will increase by 32% in the coming decade. This is approximately five times the rate of the UK economy in general. In the industry, there will be a need for more than 310,000 more people to enter the sector whether it is by replacing existing jobs or through natural expansion⁵⁵. Research undertaken by the UKCES⁵⁶ suggests that growth in the industry (55%) will be in ‘associated professional and technical roles’, those requiring specialist technical skills.

Meanwhile, employment in “professional” and “associated and technical roles” (i.e., specialist technical roles) will increase at a faster rate than compared to the UK as a whole (26% compared to 15% respectively)⁵⁷. This places a huge emphasis on the industry and its support mechanisms to prepare people with the right skills for these growth areas. It would seem vital, therefore, that businesses begin to invest in training in associate professional and technical roles as soon as possible.

2.3 The Creative Industries Economy

2.3.1 Growth

Across the sector employers are showing growing confidence that growth is in the air. From qualitative research conducted by Skillset in October 2010 in Scotland, Wales, England and Northern Ireland and research by Creative & Cultural Skills in 2009 and 2010⁵⁸ it is clear that most employers are optimistic about growth prospects in the years ahead.⁵⁹ In Fashion and Textiles the story is a little more mixed. But even in these established sectors it is clear that between 2005 and 2009 household spending on Fashion and Textile goods had increased by 9.5% from £49 million to 53 million with a dip through the heart of the recession in 2008 but swift recovery thereafter.

⁵⁴ http://budgetresponsibility.independent.gov.uk/d/pre_budget_forecast_140610.pdf

⁵⁵ Creative & Cultural Skills (2011) Occupational, Skills and Productivity Forecasting. Creative & Cultural Skills

⁵⁶ UKCES (2008) Working Futures 3

⁵⁷ Ibid

⁵⁸ Creative & Cultural Skills (2011) Creative and Cultural Industries: Impact and Footprint 2010/11

⁵⁹ See methodology section for further information regarding Skillset’s employer and stakeholder qualitative framework 2010.

The underlying reason for optimism in growth for the Creative Industries sector is the opening up of new markets and new opportunities globally as a result of digital communications and global supply networks. The global market for traded goods and services of the Creative Industries has enjoyed an unprecedented dynamism in recent years. The value of world exports of Creative Industries' goods and services reached \$424.4 billion in 2005, accounting for 3.4% of world trade as compared with \$227.4 billion in 1996 according to UNCTAD.⁶⁰ Exports of Creative Industries' products during the period 1996-2005 were led by Europe (The EU-27), dominating the market with 43% of world exports of these goods. The OECD estimates suggest that the UK is the world's biggest exporter of cultural goods, surpassing even the US: in 2002, it exported \$8.5 billion of cultural goods (compared with \$7.6 billion by the US, and \$5.2 billion by China).

And the developing nations have been playing a fast game of catch up. Asia became the second largest exporting region in 2002, when the total value of its exports of creative goods surpassed the total exports of creative goods from North America.

Future trends confirm the likelihood of further unbroken growth. For example India is anticipating more than 500% growth in broadband capability between 2008 and 2013.⁶¹ China is set to have more than 700 million mobile phone subscribers soon and is adding nearly 100 million subscribers a year.⁶²

Digital TV and video on demand (VOD) have also reached a powerful tipping point. Across Europe digital TV revenues jumped by a striking 20% in 2009, and digital now accounts for over half of all TV revenues as Digital TV services and VOD have made their first breakthrough tipping past the half way point at 51% of all TV revenues. VOD revenue growth jumped by 18% in 2009.⁶³

Domestically the rise of the so called 'experience' economy is evidenced by the large rises in demand for cultural and performance goods. More people are attending live performances, visiting museums and attending live theatre than ever before hence the near record growth in the number of performing artists over the decade and during the recession. In an age of austerity people may be cutting back on spending in most areas but their consumption of entertainment, art and literature continues to grow.

⁶⁰ UNCTAD (2008) 'Creative Economy Report – The Challenge of Assessing the Creative Economy: towards informed policy-making' United Nations

⁶¹ www.indiabroadband.net/india-broadband-telecom-news/11682-india-register-500-growth-broadband-services-within-5-years.html

⁶² www.pcworld.com/businesscenter/article/148851/china_mobile_phone_subscribers_pass_600_million_market.html

⁶³ European Broadband Cable 2010 – Cable Europe – Screen Digest

The pace of convergence of technology and the rise of multi-platform opportunities raise the stakes in terms of skills provision. The introduction next year of YouView⁶⁴ is a key example of this. The need for a high skills base is particularly important in a world of convergent technologies. It is no longer enough to be an expert in a particular creative field: employees must also understand how to create, market and distribute content across a range of channels⁶⁵, with multi-platform skills needs now more marked than even a year ago. The broader content industry includes cultural institutions that foster, create and maintain digital content; businesses that produce content, and allied industries that provide or require content, with growing linkages between cultural institutions, Creative Industries, digital content producers, and other industry sectors.⁶⁶ The future emphasis must be on growth and the need to have a range of skills and fusion of skills.

2.3.2 The Business Context - Digital Britain and London 2012

Digital Britain, established by the previous administration, set an ambitious agenda, to ensure the UK is at the leading edge of the global digital economy. The current coalition government are similarly committed to very quickly improving the UK's digital infrastructure and encouraging digital innovation.⁶⁷ The Creative Industries sectors most affected by rapid technological change are those utilising digital technologies. Content for Computer Games, Animation, Film, Television and Visual Effects are all rapidly adjusting to fast-changing new developments and technological breakthroughs. The UK has the largest Visual Effects industry outside Hollywood in the United States. 3D will fast become the industry norm in Television as well as Film. According to Skillset's qualitative research evidence the supply side (provision of education and training) is struggling to keep pace with the speed of such change.⁶⁸

E-learning is another facet of Digital Britain. Developing sufficiently flexible, responsive and adapted e-learning solutions is critical. Major organisations such as the BBC are taking a valuable lead in this area but more will need to be done quickly to help keep

⁶⁴ 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

⁶⁵ CBI (2010) Creating Growth – A Blueprint for the Creative Industries

⁶⁶ OECD (2006) Working Party on the Information Economy – Digital Broadband Context – Digital content strategies and policies

⁶⁷ www.number10.gov.uk/news/speeches-and-transcripts/2010/10/creating-a-new-economic-dynamism-56115

⁶⁸ Skillset's employer and stakeholder qualitative framework 2010

learners and those engaged in continuous professional development abreast of the latest changes in the scope and scale of digital innovations.

The expected impact on the Creative and Cultural industry of the London 2012 Olympic and Paralympic Games is enormous. The Games will attract up to 300,000 overseas visitors, one million UK visitors and five million visitors from London, as well as 50,000 athletes, press and officials. The 2008-2012 Cultural Olympiad, a UK-wide programme of events and projects run by cultural organisations, will accompany it. These huge events will need senior technical staff, specialist technicians and a variety of practitioners and is an opportunity for 'upskilling' across the sector.

2.3.3 Opportunities and Challenges - Globalisation

Globalisation offers significant opportunities for the Creative 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 2010, India had added 83 million workers to the global economy, China 56 million, and the EU just 100,000.⁶⁹ 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 States⁷⁰. 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.

⁶⁹ Deloitte 200

⁷⁰ Brown, P. et al (2010 'Skills are not enough: the globalisation of knowledge and the future UK economy' Praxis, No 4, Vol 10.

Perhaps of more concern to the UK's Creative Industries 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 Industries sector. Government support and encouragement is thus vital for these sectors to remain indigenous and competitive, such as tax breaks offered to Film makers wanting to make films in the UK.

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.⁷¹

For the more established industries of Fashion and Textiles their story over the last 15 years has been one of losing manufacturing employment to cheaper overseas producers. Liberalisation of the supply chain in Fashion and Textiles has been helped by a more liberal trade regime. The Agreement on Textiles and Clothing (ATC) was abolished in 2005 for example. Today most Fashion and Textile manufacturers are now engaged in higher value adding, higher quality activity where margins and profitability can be sustained. For instance, apparel manufacturers have moved increasingly to balanced sourcing, concentrating on design and finishing activities and finding high value niche markets, whilst textiles firms have increasingly moved into technical textiles. Due to these changes wholesaling activities in Fashion and Textiles have increased employment in this period. The depreciation of sterling, and the high quality reputation of British designer brands overseas, also offers Fashion and Textiles major export opportunities. Sales to overseas markets represent around 20% of turnover and sales to the emerging economies of Russia, United Arab Emirates and China are also growing. While sales to established markets in the EU, US and Japan remain robust.

It is also worth stating that the UK's strength in being the originator of the world's business language, English, allows a considerable competitive advantage for the UK's Creative Industries. Our Literature sector goes from strength to strength on the basis of growing demand for English language writers and Cultural Heritage also benefits from the UK's unique position and reputation across the world as a world heritage exemplar.

⁷¹ European Cluster Observatory (2010) 'Priority Sector Report: Creative and Cultural Industries

2.3.4 Competition and Industrial Structure

It is likely that as the processes of convergence progress, competitive boundaries will become increasingly blurred. The common feature of the global opportunities presented by new and developing technology is that they will be beyond the scope and scale of almost all single companies, even large established multinationals or conglomerates. Alliances and partnerships will therefore need to be formed for opportunities to be realised, commonly with companies in technology and telecoms, and sometimes with companies that will be competitors in other markets.

Supply chains will necessarily lengthen and the freelance and contract based nature of so much of the Creative Industries sector will offer both opportunity and threat to the industry. Supply chain and project management will become an increasing skill need for Creative Industries organisations – what Susan Berger describes as coordination capabilities.⁷²

These are the skills that will enable key individuals to coordinate the functions of often disaggregated supply chains. Indeed rather than just needing to coordinate matters inside a single company, individuals need to be able to coordinate activity across many different companies and suppliers – all part of the same supply chain – and as importantly across different cultures.

2.3.5 Convergence and Audience Fragmentation

Audience fragmentation is driving growth in demand – in the last ten years, for example, cable and satellite subscription revenue has tripled, while DVD revenues have increased fifteen-fold and downloading has enabled audiences to access content in more personalised ways.⁷³ Consumption of video across multiple platforms is now a global phenomenon, with approximately 70% of global online customers now watching online video, but with North America and Europeans lagging in adoption.⁷⁴ According to figures from PwC⁷⁵ over the next four years to 2014 Internet Advertising will grow by 10.5% and advertising in video games will grow by 13.7%. This compares with 4.3% for TV advertising and reductions of 1.2% for Newspapers, 11.9% for Print Directories and 1.3% for Trade magazines.

⁷² Berger, S et al (2005), *How We Compete*, Currency/Doubleday, New York, NY

⁷³ Media Predictions, TMT Trends, Deloitte 2009.

⁷⁴ How People Watch: A Global Neilson Consumer Report – August 2010

⁷⁵ Stokes, P (2010) Towards 2014: the Search for Value in the Digital Value Chain, PwC

2.3.6 Technological and consumer driven change

User-led innovation has become increasingly important and several of the UK's existing creative businesses such as web content and video games have been cited as examples of excellence.⁷⁶ This includes User Generated Content (UGC) through, for example Twitter and other social media sites and blogs. Indeed social media sites such as Facebook have also opened up their platforms to individuals and businesses to create Apps and have created and developed the structure to support the commercialisation of these applications. The key conclusion is that digitisation and platform proliferation are enabling the end-user far more control over when, where and how they access content.

For Fashion and Textiles opportunities are emerging in the areas of technical textiles working within industries such as Aerospace, Agriculture, Automotives, Construction, Defence and Medicine. Textiles serving these end-user markets have highly advanced properties and are devised for performance rather than aesthetic reasons. Alternatively the rise of 'fast Fashion' is placing increasing demands on the industry to respond to faster changing consumer demand. This means shorter production cycles and leaner distribution capability.

In the music industry for example, the effects of digitisation are numerous, from convergence of product delivery onto digital platforms, to the ease of creating and recording new music, to digital publishing and marketing. 95% of all UK single sales are now digital, and the future is likely to be driven by the adoption of music delivery platforms which enable on-demand access regardless of location.

Digital technology has also had a major impact on the design sector, including shortened design timescales, faster communication, the emergence of rapid prototyping and businesses requiring fewer people carrying out more tasks. The majority of designers think skills needs are changing and the most commonly cited reason is technological advance⁷⁷.

While the rise of e-publishing and e-books creates a new vista of opportunity for both Publishers and people working in the Literature sector.

⁷⁶ Annual Review, NESTA, Feb 2009.

⁷⁷ Ibid

2.3.7 Intellectual Property and Digital Management

Monetising intellectual property rights is a major obstacle for employers in Creative Industries. Indeed the ability to monetise IP across platforms and content areas was probably one of the biggest challenges cited by employers in the qualitative research Skillset undertook for this report.⁷⁸ Digital archiving was another oft-cited issue for employers. Alongside this was a dearth of people who could genuinely think ‘diagonally’ and be both creative and entrepreneurial. Too often digital rights are very hard to disentangle.

2.3.8 Product Market Structure

The Creative Industries operate in many different marketplaces. They are a genuinely globally interfacing industry. Disaggregation of supply chains and the speed of production cycles and response to consumer demand has been discussed above. Increasing use of new technologies in the Creative Media sectors, Fashion and Textiles in particular will intensify changes to product market structures.

2.4 The Creative Industries Workforce

According to DCMS data there are an estimated 182,100 Creative Industries’ companies (not including sole-traders) and a breakdown by broad sector can be found in Table 2.⁷⁹ It is worth noting at this stage that the SSAs for CCSkills, Skillset and e-Skills contain more accurate and detailed workforce data and should be referred to in conjunction with this report. The vast majority (84%) of companies are small (fewer than 10 people) and just 2% of companies are large (100 people and more).⁸⁰

⁷⁸ Skillset’s employer and stakeholder qualitative framework 2010

⁷⁹ 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).

⁸⁰ Skillset (2009) Employment Census and IDBR 2009 (Photo Imaging, Publishing and Advertising).

Table 3 Company breakdown

| Sector | Number of enterprises | As a proportion of Creative Industry Enterprises (%) | As a proportion of all enterprises (%) |
|--|-----------------------|--|--|
| 1. Advertising | 14,800 | 8.1% | 0.7% |
| 2. Architecture* | 11,500 | 6.3% | 0.5% |
| 3. Art & Antiques | 2,700 | 1.5% | 0.1% |
| 5. Design | 14,200 | 7.8% | 0.7% |
| 6. Designer Fashion | 900 | 0.5% | 0.04% |
| 7. Film, Video & Photography | 9,900 | 5.4% | 0.5% |
| 9 & 10. Music & Visual and Performing Arts | 30,800 | 16.9% | 1.5% |
| 11. Publishing | 7,700 | 4.2% | 0.4% |
| 8 & 12. Software & Electronic Publishing* | 81,700 | 44.9% | 3.9% |
| 8 & 12. Digital & Entertainment Media^ | 200 | 0.1% | 0.01% |
| 13. TV & Radio | 7,700 | 4.2% | 0.4% |
| Total | 182,100 | 100.0% | 8.7% |
| All enterprises | 2,100,400 | | |

Source: DCMS Creative Industries Economic Estimates December 2010

* These sectors are not included in this SSA .

^This sector includes SIC codes 58.21 Publishing of Computer Games and 62.01 Computer Programming Activities. Computer Games are excluded from this SSA in view of the forthcoming Livingstone/Nesta review of skills in CG due for publication in January 2011 to which Skillset and e-skills UK have contributed

The distribution of enterprises by employment size band is similar to the employment distribution in the wider economy.⁸¹ According to skills survey data, 65% of employers in the combined creative footprint of Skillset and CCSkills in England employ four or less members of staff, and just 5% employ 25 people or more⁸². Based on official figures, some 43% of the total creative workforce in the UK is employed outside the Creative Industries. Not far off the proportion found in financial services (39%).⁸³ This helps explain the considerable spill over effects that emanate from those holding a creative content skills base.

Creativity is recognised as an important driver of innovation and the Creative Industries show significantly higher values of innovation and creativity than other UK enterprises

⁸¹ www.statistics.gov.uk/cci/nugget.asp?id=1238

⁸² NESS 2009. The figures represent an analysis of data by the Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES. Exclusions apply - see Annex A for methodology.

⁸³ Higgs, P, Cunningham, S and Bakshi, H (2008) *Beyond the Creative Industries: Mapping the Creative Economy*, NESTA, London

(70% as against 55%).⁸⁴ In Literature, Cultural Heritage, Film, Animation, Television, Radio, Performing Arts, Visual Arts, Music, Design, Fashion, Craft, Photography and Architecture arguably creativity is *the* key ingredient that enables organizations and individuals to succeed more than in any other sector of the economy.

As a recent report from CIHE notes, quoting senior BBC technical staff, producers, engineers and technologists will increasingly converge into teams working together to deliver interface, service and content – as one product – rather than different teams working in isolation and then hoping to tie the solution together.

It is therefore hardly a surprise, that e-Skills, Skillset and Creative & Cultural Skills have in recent years consistently begun to identify the development of hybrid skills – technical, business, creative, and interpersonal – as the vital pre-requisite of monetising content and services.⁸⁵

2.4.1 Employment Profile

Overall, 25%⁸⁶ of those working or available for work in the Creative Media Industries are ‘freelance’ and the remaining operate on an ‘employee’⁸⁷ basis. While for the Creative and Cultural Skills footprint 44% describe themselves as ‘self-employed’. Table 3 below shows the employment profile for the Creative Industries as a whole.

⁸⁴ Includes all Creative Industries which includes software and reproduction of computer media, DTI Occasional Paper No. 6. Innovation in the UK: Indicators and Insights, July 2006.

⁸⁵ CIHE (2010) ‘The Fuse – Igniting High Growth for Creative, Digital and Information Technology Industries in the UK’

⁸⁶ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

⁸⁷ ‘Freelance’ = contract of less than 365 days and ‘employee’=contract of 365 days or more.

Table 4: Creative Employment, Great Britain

2010 Data (July - September)

| Sector | Employees in Creative Industries | Self-employed in Creative Industries | Employees doing creative jobs in other industries | Self-employed people doing creative jobs in other industries | Total Employment |
|---|----------------------------------|--------------------------------------|---|--|------------------|
| 1. Advertising | 89,100 | 25,400 | 163,800 | 21,000 | 299,200 |
| 2. Architecture* | 63,300 | 35,300 | 26,300 | 3,500 | 128,400 |
| 3. Art & Antiques | 6,600 | 3,200 | | | 9,800 |
| 4. Crafts | | | 66,300 | 45,100 | 111,400 |
| 5. Design | 35,000 | 56,600 | 113,500 | 20,400 | 225,400 |
| 6. Designer Fashion | 2,500 | 3,700 | 3,200 | 400 | 9,700 |
| 7. Film, Video & Photography | 26,000 | 13,300 | 10,700 | 10,500 | 60,500 |
| 9 & 10. Music & Visual and Performing Arts | 67,200 | 136,300 | 33,300 | 69,000 | 305,800 |
| 11. Publishing | 151,100 | 20,500 | 55,700 | 9,300 | 236,600 |
| 8 & 12. Software & Electronic Publishing* | 347,000 | 81,000 | 290,600 | 34,500 | 753,000 |
| 8 & 12. Digital & Entertainment Media^ | 5,600 | 700 | | | 6,200 |
| 13. TV & Radio | 77,300 | 37,300 | 10,500 | 7,200 | 132,300 |
| Total | 870,600 | 413,200 | 774,000 | 220,700 | 2,278,500 |

Source: Labour Force Survey (LFS), Office for National Statistics. Again note that each of the SSCs separate SSAs have more detailed and accurate breakdown's for many sub-sectors of Creative Industries

* These sectors are not included in this SSA.

^This sector includes SIC codes 58.21 Publishing of Computer Games and 62.01 Computer Programming Activities. Computer Games are excluded from this SSA in view of the forthcoming Livingstone/Nesta review of skills in CG due for publication in January 2011 to which Skillset and e-skills UK have contributed

As Table 4 shows, freelancing or self employment dominates some occupational groups more than others. More than half the workforce in some occupational groups are freelance such as Design, Film, Performing Arts, Visual Arts, Music, Television and Designer Fashion. This rises to 64% in Literature and 87% in Visual Arts while Cultural Heritage bucks the trend in having only 4% freelance compared to a whole UK economy of 13%.

An analysis of Labour Force Survey data using the combined creative footprints of Skillset and Creative and Cultural Skills, suggests that a third of the workforce (34%) is self-employed compared to 14% across other sectors ⁸⁸

The Creative Industries workforce is also slightly younger than the whole economy averages as Table 5 indicates with the exception of Fashion and Textiles where 46% of the workforce is aged over 45 and getting older.

Table 5: Workforce Age by Sub-Sector

| | 16-24 | 25-34 | 35-49 | 50+ |
|----------------------------------|-------|-------|-------|-----|
| Total Creative Industries | 9% | 29% | 41% | 21% |
| UK Economy | 13% | 22% | 37% | 28% |

Sources: LFS July 2009 – June 2010

Representation of women is lower in Creative Industries than across the economy as a whole (38% compared with 47%, but note 50% of Fashion and Textiles are female) and varies considerably by sector. Representation of women is also lower in the combined creative footprints of Skillset and Creative and Cultural Skills (41%) compared to the wider economy.

Female freelancers make up just over a third of the workforce overall and the proportion of female freelancers varies from just 31% of the total number in Advertising to well over half of those freelancing in Publishing.⁸⁹ CCSkills research shows that 30% of the workforce in Craft, 58% in Cultural Heritage, 45% in Performing Arts and 53% in Visual Arts are female. For the Creative and Cultural workforce as a whole 41% are female.⁹⁰ The UK economy average is 38% female compared to 62% male freelancers.⁹¹

⁸⁸ LFS (Jul 2009 - Jun 2010). The figures represent Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES but do not represent the full extent of the creative sectors that these sector skills councils are licensed to support. See Annex A for methodology.

⁸⁹ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

⁹⁰ Creative & Cultural Skills (2011) Creative and Cultural Industries: Impact and Footprint 2011/12

⁹¹ www.pcg.org.uk/cms/documents/POLICY_AND_CAMPAIGNS/research/UK_Freelance_Workforce_B08-21_1.1.pdf

Skillset's research⁹² has also shown that representation is dropping, whereas the opposite is the case for the economy as a whole. Skillset research has also repeatedly shown that representation of older women is extremely low and has identified the cause of this to be the particular challenges of balancing starting and raising a family with working in the Creative Industries, for example due to long and unpredictable hours with some notable exceptions.⁹³ In CCSkills footprint women are also likely to earn a lower wage than their male counterparts while at the same time tending to be more highly qualified than men⁹⁴.

Fewer in the footprint of Skillset and CCSkills compared with the economy as a whole is from a Black Asian or Minority Ethnic Background (BAME) (7% compared with 9%) and 31% of London's economy is from a BAME background, which is where a third of those working in those parts of the Creative Industries are based.⁹⁵ However in Fashion and Textiles the BAME figure rises to 18% and 46% in London. In CCSkills footprint 9% of those working in Cultural Heritage are from a BAME background, the same number as for the UK economy as a whole. Whereas most of the footprint are slightly below the UK average with Craft, Design, Music, Visual Arts at 7%, Literature at 8% and Performing Arts at 6%.

While fewer than one in ten (9%) in the Creative Industries workforce is disabled (as defined by the Disability Discrimination Act)⁹⁶ which is lower than across the economy as a whole where 14% are disabled (including both DDA disabled and work-limiting disabled).⁹⁷ But this is not true of all sub sectors of Creative Industries. Across CCSkills footprint the figure for disabled workers is 13% - much closer to the national average.

The Creative Industries sector is highly skilled and one of the most highly qualified in the economy; c60%⁹⁸ in Creative Industries has a degree or equivalent level 4 qualification compared with 36% of the population of working age across the

⁹² Skillset (2009) Employment Census. Excludes Film Production freelancers, Photo Imaging, Publishing and Advertising.

⁹³ Skillset (2006) Balancing Children and Work in the Creative Industries.

⁹⁴ Creative & Cultural Skills (2011) Creative and Cultural Industries: Impact and Footprint 2011/12

⁹⁵ Creative Media Industries: Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010; All UK: LFS, ONS July 2009 – June 2010

⁹⁶ Skillset (2008) Creative Industries Workforce Survey, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey and LFS, ONS July 2009 – June 2010.

⁹⁷ LFS, ONS July 2009 – June 2010.

⁹⁸ Skillset (2008) Creative Industries 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 and LFS, ONS July 2009 – June 2010; Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey.

economy.⁹⁹ Again the picture is a little different for Fashion and Textiles who have a higher proportion of people with below Level 4 qualifications¹⁰⁰.

2.4.2 Recruitment at Entry Level Onwards

Recruitment across the Creative Industries has been mixed over the last 12 months. Among those employers that fall within Skillset’s footprint almost half (49%) have actually taken on new employees or short-term contracted staff over the past 12 months. The majority of these employers (68%) have actually taken on freelancers, with 29% taking on employees and just 2% taking on both.¹⁰¹ For Fashion and Textiles the picture is a little different with only 10% of employers having any vacancies during 2009. For those businesses falling within CCSkills footprint employment has grown by over 4% during the past year – well above the whole economy average. And over the period 2004 – 2010 that growth in some parts of the Creative Industries has been explosive (see Table 6 below).

Table 6: Change in Creative and Cultural industries employment

| Sector | % Change in employment, 2004-2010 |
|---|-----------------------------------|
| Design | + 23% |
| Music | + 4% |
| Performing arts | + 38% |
| Craft | - 27% |
| Literature | + 6% |
| Cultural heritage | + 4% |
| Visual arts | + 37% |
| Creative and Cultural industry total | + 11% |
| UK employment total | - 0.2% |

Creative & Cultural Skills. (2011). Creative and Cultural Industry: Occupational, Skills and Productivity Forecasting

The number of employers reporting vacancies in the combined creative footprint of Skillset and CCSkills in England is slightly lower (9%) than for employers across other

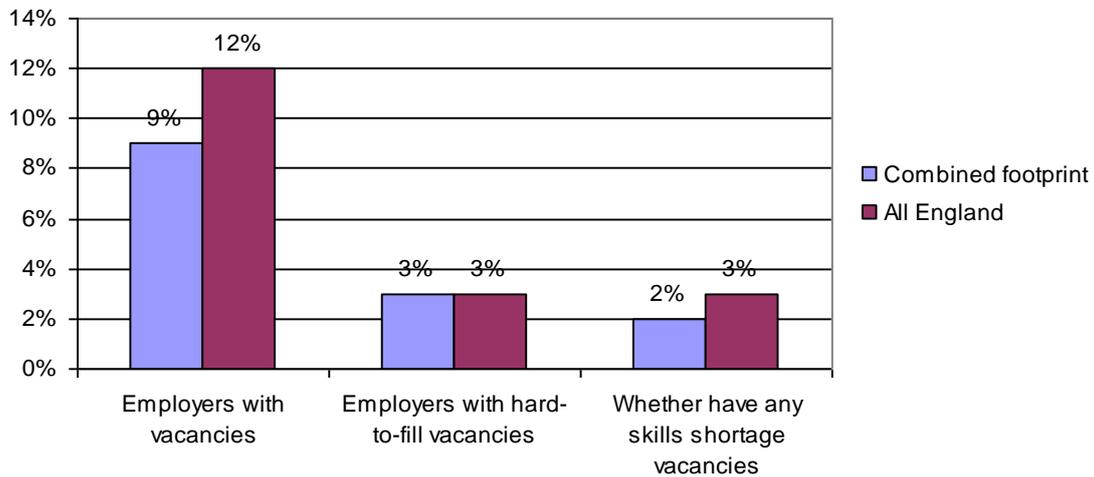
⁹⁹ LFS, ONS July 2009 – June 2010.

¹⁰⁰ 19 per cent in Annual Population Survey 2009

¹⁰¹ Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

sectors in England (12%). The percentage of employers in the combined footprint reporting hard-to-fill vacancies mirrors that reported by employers in England (3%).

Employers reporting vacancies in Skillset and CCSkills combined creative footprint 102

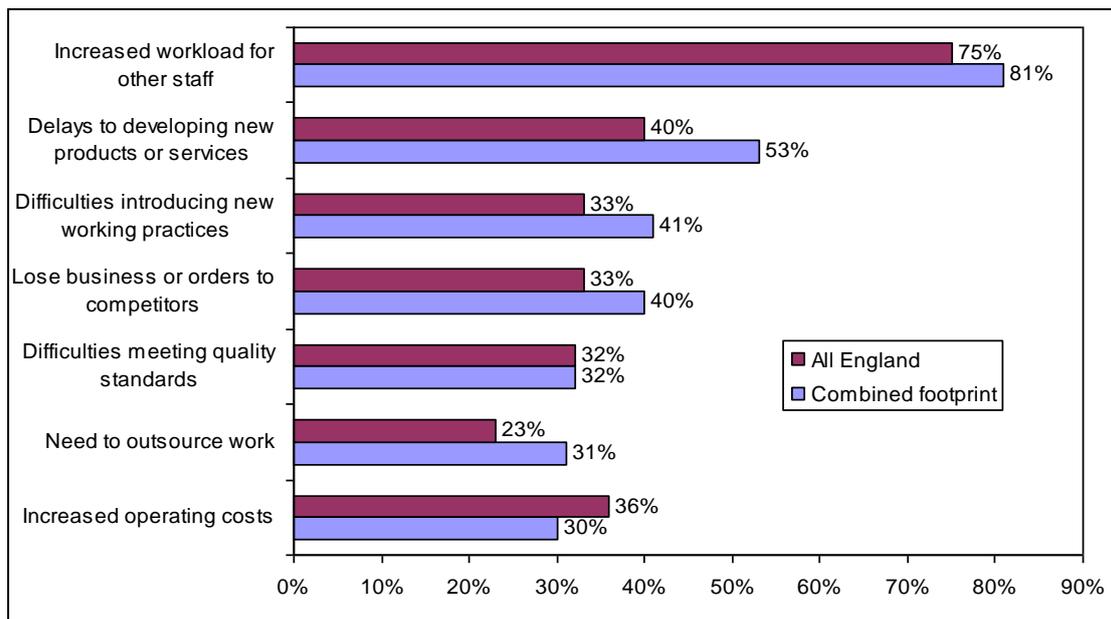


Almost half of employers (47%) in the combined footprint cited a low number of applicants with the required skills as a main cause of having hard-to-fill vacancies. This was followed by lack of work experience the company demands; cited by 26% of employers.

The impact of hard-to-fill vacancies as reported by employers is illustrated in the chart below. An increased workload for other staff is the most reported consequence, and a higher proportion of employers report this in the combined footprint (81%) compared to other sectors employers in England (75%).

¹⁰² NESS 2009. The figures represent an analysis of data by the Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES. Exclusions apply - see Annex A for methodology.

Impact of having hard-to-fill vacancies in combined creative footprint 103



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. Acting, playing music, designing, Film producing, Television broadcasting and Radio broadcasting are among the most attractive jobs in the eyes of many aspirants to the sector.

One result of demand from individuals wanting to work in some parts of the sector has been a high level of voluntary or unpaid working, undertaken in order to get a foot in the door and a first paid job. For example more than two fifths (44%) of the workforce in Creative Media Industries report having worked unpaid in order to get into the industry. Formal recruitment measures such as advertising and recruitment agents are still relatively uncommon in most sectors of the Creative Industries and a third report entering the industry this way and this reduces to a quarter for those already in the industry. More people in the industry report securing both their first and current job through informal channels such as word of mouth or personal contact.¹⁰⁴ In Fashion and Textiles some 42% of employers do not even have formal job descriptions for all their employees.¹⁰⁵

¹⁰³ NESS 2009. The figures represent an analysis of data by the Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES. Exclusions apply - see Annex A for methodology.

¹⁰⁴ Skillset (2008) Creative Industries Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

¹⁰⁵ NESS, 2009

Across Creative Industries the main barriers to better recruitment encompass the following:

1. Across many parts of the industry, routes to entry have been characterised by knowing people in the industry. This makes recruitment less diverse than it otherwise might be.
2. Demographic change presents considerable challenges to the sector and too often the sector does not follow best practice in its recruitment practices.
3. Career paths across the sector are not necessarily well-known or understood by school leavers, graduates or their careers advisors.
4. Whilst some employers are doing a considerable amount of learning and development (accredited and non-accredited), the sector as a whole is characterised by a lack of formality or comparability in its approach to learning and development.
5. There is a general lack of the right formal qualifications post first degree level and scepticism over the quality of qualifications provided by many of the existing suppliers. There is also an acute fear of more bureaucracy and red tape.
6. People offer themselves free to gain work experience (at school leaver, student and graduate level). This means employers do not need to invest or engage with these volunteers in the same way as they would if they were trainees or employees.
7. Existing demand from applicants wanting to work in the industry in some sub-sectors creates a strong economic disincentive to change. In many sectors such as Music, Cultural heritage, Design, Performing Arts, Advertising, Film and Television there is huge demand for placements and work from people with level 4 qualifications and above. However employers still complain that too many graduates are not job ready and lack basic industry specific skills.
8. Poor perceptions in some parts of the sector erode the ability of employers to recruit new entrants. While low entry level wages also act as a disincentive to recruit.
9. Finally poor industry into education links affect the ability of the sector to recruit widely and fairly.

2.4.3 Retention

Qualitative research confirmed that freelancers will remain at high levels in many sectors due to the general project based nature of the work in sectors such as Film and Television.¹⁰⁶ Overall retention levels are relatively high across the Creative Industries Sector.

2.4.4 Creative Industries Workforce and Travel

Most key occupational groups within the industry operate within a national or international labour market; people will generally need to be willing to travel to wherever work is in order to develop or sustain a career in the industry. There are few differences between the proportion of the workforce working and living in each nation or region, except in London where fewer people live than work, and the South East and East of England where fewer people work than live. This is presumably attributable to substantial proportions of the workforce commuting from those latter regions into London.¹⁰⁷

2.5 Skills mismatches, acquisition and utilisation

In many parts of the Creative Industries there are a plethora of skills mismatches. For example 60% of jobs in the Creative and Cultural industries are classed as 'associate professional or technical', i.e. specialist skilled roles. Individuals within these industries are much more likely to have at least one degree than across employment in the UK in general, and yet the rate of skills shortages and gaps is significant. Employers in the industry state that the higher education system is not fit for purpose; supposedly highly-qualified graduates are not entering the sector 'job-ready', and thus need to acquire further skills. This tends to happen either on the job or through ongoing training opportunities, for which employers usually pay. Creative and Cultural businesses struggle to access funding to engage in this training.

Meanwhile businesses in the Creative and Cultural industries do not tend to think strategically regarding current and future skills needs and/or potential economic change. Many access training only as and when immediate needs arise, as opposed to planning staff development in advance of upcoming business requirements. This is

¹⁰⁶ Skillset's employer and stakeholder qualitative framework 2010

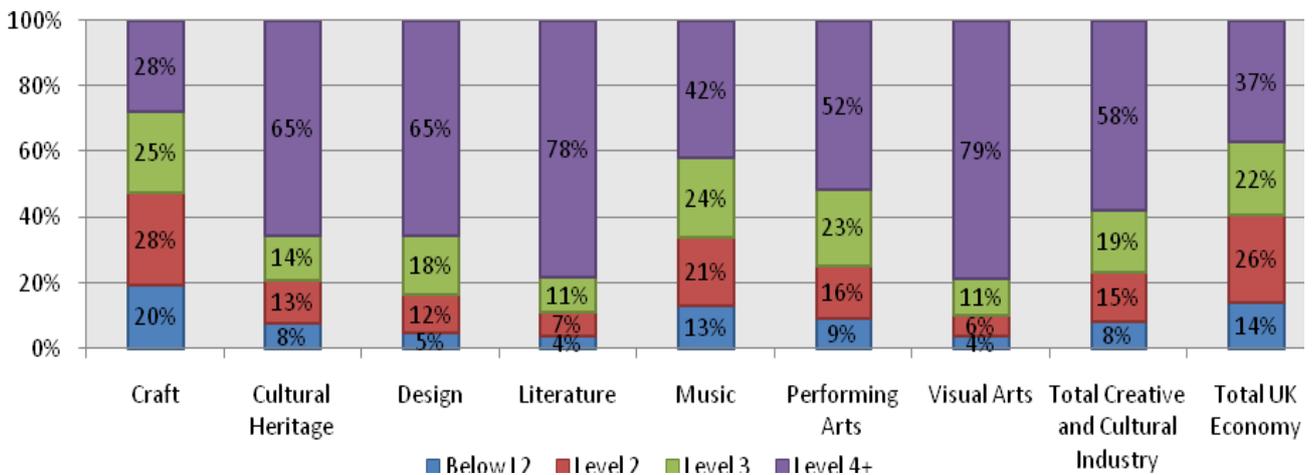
¹⁰⁷ Ibid

often exacerbated by the limited time and finances available to engage actively in sustained workforce development.

With the higher education system moving toward a consumer choice model of supply, tuition fees increasing and with significant cuts occurring to university funding (and to arts-based courses in particular), the decisions that students and potential Creative and Cultural practitioners make in terms of their education are becoming more and more vital. Information, advice and guidance (IAG) for those planning a career in the industry, those that are mid-career, and for those needing to develop leadership skills is key for the health of the sector. Sector-led IAG is very important, and impartial, industry-relevant information should be available to all to help skills blockages to clear.

The UK's Creative and Cultural industries have a significantly greater proportion of the workforce qualified to above level 4 compared with the rest of the economy (58%¹⁰⁸ compared to 37%¹⁰⁹).

Figure 1: Qualification structure of the Creative and Cultural industries and the UK economy (2009)



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

Nearly a quarter (24%) of Creative and Cultural businesses have experienced problems recruiting into particular roles. Over half of these (43%) say that this is because applicants lack experience, and over a third (38%) that they lack the right specialist skills for the job.

¹⁰⁸ Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11

¹⁰⁹ Ibid

A key issue is that a high proportion of the Creative and Cultural workforce consists of 'qualified' potential recruits who do not have the specific 'associate professional and technical' skills that more than 60% of jobs require (15% across the UK). In addition, the Creative and Cultural industries are not particularly engaged with 'associate professional and technical' areas when it comes to planning training, or with how the qualifications and skills sector can prepare individuals for these roles. As such, the acquisition and retention of hands-on skills and the existence of specialist training centres is absolutely crucial.

It is also important to note that, in administrative, support and management roles, Creative and Cultural organisations often recruit from the rich over-supply of general Creative and Cultural graduates to roles that do not require higher-level or Creative and Cultural-specific qualifications. In specific specialist areas such as IT, finance, customer services and administration, the sector often misses out on the wider pool of talent available from other areas of study or those without formal qualifications.

In particular, vacancies and skills shortages in the Creative and Cultural industries are much greater in the 'associate professional and technical' occupational category than across the general economy¹¹⁰. This is despite the fact that three quarters of those working in the 'associate professional and technical' category are qualified to level 4 or above.

Investing in training in 'associate professional and technical' occupations is vital, given the fact that these roles comprise 60% of the industry. However, approximately only a fifth of all individuals in the industry who undertake training do so in this category.

An appropriate range of relevant occupational and vocational qualifications must be available to meet the current and future needs of employers. It is vital that industry retains a say in which vocational qualifications are developed and which are considered for priority support.

In order to achieve this the development of new National Occupational Standards (NOS), Apprenticeship pathways and qualifications for new occupational areas in response to industry demand are key.

Apprenticeships in particular offer employers within the industry the opportunity to recruit and train individuals in specific occupational and skills areas. Encouraging more employers to take on an Apprentice will help the industry to recruit and develop people with appropriate skills for the jobs that are available.

¹¹⁰ UKCES (2010) National Employer Skills Survey 2009

Significantly, given the small business structure of the creative and cultural industries, the costs of taking on an Apprentice are significant. This is particularly true in terms of business lost due to training commitments. Managing Apprentices directly, liaising with colleges and dealing with bureaucratic protocol can also be difficult to deal with, especially for micro-businesses.

Enabling employers to take on an Apprentice is vital for the continuing success of the Creative and Cultural industries. In particular, the following recommendations are made:

- The Apprenticeship Training Service (ATS) offered by the National Skills Academy for Creative and Cultural is in a position to help employers cut through the red tape, and can help broker alternative funding structures to encourage employers to take up more Apprentices.
- In particular, an important change in funding would be to reallocate a portion of the funding currently directed to the further education sector for Apprenticeships towards employers, in order to support associated training and management costs.
- This reallocation of funding would ensure that the overwhelming majority of an Apprentice's training could happen within the workplace. It would also be more efficient for FE colleges to have an intermediary role rather than a specific delivery role.

This small amount of investment would make an enormous impact. Businesses across the Creative and Cultural industries are keen to take on Apprentices, but the significant cost barriers often prevent them (especially micro-businesses) from doing so.

UK employees across all industries who undertake regular training earn on average between 5% and 6% higher than those who do not undertake workplace training¹¹¹. Given that there are considerable issues around skills shortages and gaps in the industry, training staff and investing in training is vital if the industry is to remain economically successful.

The proportion of jobs requiring higher levels of qualifications has been rising in the Creative and Cultural industries, whilst the proportion requiring low or no qualifications has been declining. The Creative and Cultural industries currently have low job

¹¹¹ BERR. (2006). *Non-certified learning and skills: incidence in the UK, variation across countries and links to productivity*.

vacancy numbers compared to the UK in total¹¹² and reasonably low hard-to-fill vacancies in comparison with other industrial sectors¹¹³. This may be driven by the perception within the industry that there is a need for re-skilling as opposed to ‘up-skilling’, with new skills acquired in post and ‘on the job’. The availability of training to meet high skills demands is one potential problem¹¹⁴.

It is particularly interesting to look at whether the training on offer to individuals reflects the wide range of occupational roles in the industry. Since the development of both qualifications and training opportunities has been driven by student demand rather than industry need, there is a particularly large number of generalist courses and qualifications but many fewer for specialist technical roles¹¹⁵.

As such, and in many instances, employers have needed to create bespoke training solutions that, not being accredited and not leading to recognised qualifications, do not attract public funding. This has further exacerbated the divide between the needs of the sector and the offer from traditional training providers.

2.6 The Sub-Sector Story

A more detailed breakdown of current skills needs by sub-sector can be found in Section 3.5¹¹⁶. The Creative Industries story is a complex one as each sector has particular idiosyncrasies and nuances that command attention. Video, film and photography saw employment fall by 3% between 2007 and 2008, and GVA growth of 2% per annum between 1997 and 2007.¹¹⁷ Whereas for Design, Performing Arts and Visual Arts the story has been of relentless employment growth of 23%, 38% and 37% respectively between 2004 and 2010 – a quite remarkable story of growth. The other sectors have enjoyed at, or just above, whole economy trend rates of growth of between 2% and 3%.¹¹⁸ Though the recession hit some sectors hard - Advertising for example shrank by 10%¹¹⁹ and Craft has seen employment fall by 27% over the last 6

¹¹² UKCES. (2010). *Employment and Skills Almanac*.

¹¹³ Ibid

¹¹⁴ Ibid

¹¹⁵ As can be seen by consulting the National Database of Accredited Qualifications (www.accreditedqualifications.org.uk).

¹¹⁶ Excluding Content for Computer Games as the Livingstone/ Nesta review of skills in CG and VFX to which Skillset and e-Skills have contributed is due for publication in January 2010.

¹¹⁷ DCMS Creative Industries Statistical Bulletin, December 2010.

¹¹⁸ Ibid

¹¹⁹ Stokes, P (2010) Towards 2014: the search for position in the digital value chain, PWC

years - employers in most sectors feel moderately confident about their future prospects despite public spending cuts and reduced Government spending on advertising and marketing (see Table 7 for more detail on CCSkills footprint as an example of GVA growth overall.)

Table 7: CCSkills Footprint change in GVA

| Sector | % Change in GVA 2004-2010 |
|---|----------------------------------|
| Craft | -20 |
| Cultural heritage | -2 |
| Design | 25 |
| Literature | 7 |
| Music | 4 |
| Performing arts | 20 |
| Visual arts | 15 |
| Creative and Cultural industries total | 11 |
| UK economy total | 6 |

Source: Creative & Cultural Skills. (2011). Creative and Cultural Industry: Occupational, Skills and Productivity Forecasting

3. Current Skills Needs

3.1 Overview

Overall the Creative Industries sector is in confident mood. It has grown at twice the rate of the whole economy up until 2008 and contributed 5.6% of the UK's gross value added in 2009. By 2017 employment growth in the sector is expected to have reached 40% from the total employed in 1997.¹²⁰

It has also created jobs at twice the rate of the financial intermediation sector over the same period. This is good news. And yet, as has been mentioned above, there are many challenges.

In many parts of the Creative Industries sector digitisation is demanding ongoing continuous professional development (CPD) across many parts of the Creative Industries sector at higher rates than ever before. New entrants from education need to be prepared for being in inter-disciplinary teams with a new emphasis on the fusion of skills required in each new entrant in order for them to be able to create content across multiple platforms. 'Diagonal thinking' (i.e. those able to think creatively and practically) are the skills requirements of the day. Individuals need to be more entrepreneurial, understand how to monetise IP from digital and other content and show forward thinking leadership and management skills. The need for increased levels of diversity as a business driver will grow in the future since content needs to reflect the more disaggregated and global marketplace.

Globalisation, the speed of disaggregation of supply chains and the need to compete on price and quality represent major challenges for textiles for example.

In other parts of the sector it is a lack of management and leadership skills that may slow expansion along with the shape and size of the businesses in many parts of the Creative Industries Sector. A long tail of micro businesses imposes an external labour market dynamic on the sector which requires somewhat different policy responses for example. Nor is there as yet any evidence of a major merger strategy emerging across the Creative Industries sector where economies of scale and a reservoir of crossover skills can be developed.

¹²⁰ Working Futures (2007-2017) (2008) SC/IER/CE electronic resource. Please note that the Working Futures projections are based on a model that uses official Government data sources so they do not include facilities, interactive content, Content for Computer Games, freelancers between jobs (LFS) or any freelancers at all (ABI). As such they are likely to be highly conservative estimates of growth.

There are too many reported barriers to learning and development from employers and employees and freelancers alike. While FE/HE integration with the sector's employers has some way still to develop so that new entrants leave colleges and universities more 'job ready' than they presently seem to be.

Finally too many employers are training in inappropriate occupational areas, they lack time and money to invest in developing their staff, and too often there is a mismatch between the skills employers want and the skills potential recruits actually have.

3.2 Skills Shortages

Most areas of the Creative Industries have long been characterised by an oversupply of potential new entrants. One result of this, as has already been noted, has been a high level of voluntary or unpaid working, with nearly half the workforce in Creative Industries reporting having worked unpaid in order to get into the industry.¹²¹ While the mismatch of applicants' skills to the needs of the job is a common issue, and experience in work is often given a much greater priority than academic qualifications.

Fashion and Textiles however report that 59% of UK employers in that sector were anticipating skills shortages when they seek to recruit in the future¹²².

Across the Creative Industries, skills in short supply from new entrants include sales and marketing skills, multi-skilling, using software packages such as Photoshop, Avid and Final Cut Pro, pattern cutting and grading, textile technologists, supervisors, and generally across associate and professional occupations in areas such as Crafts, Performing Arts, Visual Arts, Design etc.¹²³

3.3 Skills Gaps

On the whole across the Creative Industries sector skills gaps are intensifying. This is in part due to the speed of digital change being enjoyed by most employers. The stock of workers currently employed often do not have the adaptability and investment in development technological change demands. In Fashion and Textiles only 16% of

¹²¹ Skillset (2008) Creative Industries Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

¹²² Fashion and Textiles Employer Survey 2008

¹²³ Skillset (2010) Creative Media Employer Survey. Excludes Advertising; Fashion and Textiles Survey of Employers 2008; Creative and Cultural Skills (2009) Workforce Survey

establishments have recently reported skills gaps¹²⁴. Whereas in other areas such as those organisations within the footprint of CCSkills 37% of employers are reporting skills gaps. The most commonly cited skills gaps across the sector include software development and ICT; management and leadership, customer facing skills, marketing and business development, technical and craft specific skills.¹²⁵

Reasons cited for skills gaps included the lack of experience of recently recruited staff, a failure to train and develop staff, an inability of the workforce to keep up with change, poor management and leadership.¹²⁶

Thirteen per cent of employers in the combined creative footprint of Skillset and CCSkills in England reported skills gaps in their establishments. The skills gaps cited most by employers were technical, practical or job-specific skills (63%), customer handling skills (44%), problem-solving skills (43%) and management skills (40%). The most frequently reported impact of skills gaps was the increased workload for other staff (61%). Two thirds of employers (68%) forecasted that technical, practical or job-specific skills will need improving or updating in the next 12 months.¹²⁷

Taking Skillset's 2010 Employer Survey as evidence, skills gaps have some fairly major impacts on businesses. These include delaying the development of new products/services (63% of employers), 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 of employers in this survey have taken actions to address the skills gaps they're experiencing. The actions most commonly taken by employers are skilling up the existing workforce (69% of employers) and increasing/expanding trainee programmes (54%).¹²⁸

Whereas for those businesses in the footprint of CCSkills the implications of skills shortages and skills gaps are well illustrated in Table 8 below:

¹²⁴ Fashion and Textiles Employer Survey 2008

¹²⁵ Skillset (2010) Creative Media Employer Survey. Excludes Advertising; Fashion and Textiles Survey of Employers 2008; Creative and Cultural Skills (2009) Workforce Survey

¹²⁶ Ibid

¹²⁷ NESS 2009. The figures represent an analysis of data by the Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES. Exclusions apply - see Annex A for methodology.

¹²⁸ Skillset (2010) Creative Media Employer Survey. Excludes Advertising;

Table 8: Consequences of skills shortages and gaps for Creative and Cultural businesses

| | Skills shortages | Skills gaps |
|---|------------------|-------------|
| Lost business | 10% | 26% |
| Increased workload for others | 45% | 18% |
| Delays to developing new products or services | 22% | 14% |
| More work is outsourced | 9% | 12% |
| Other | 15% | 12% |
| Turned away business | 26% | 12% |
| Increased operating costs | 7% | 8% |
| Difficulties introducing new working practices | 14% | 7% |
| Difficulties meeting quality standards | 15% | 7% |

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

Thirty-seven percent of businesses in the Creative and Cultural industries identify skills gaps in their current workforce¹²⁹. These issues are exacerbated by the small business structure in the industry. In many cases, one or two individuals are required to perform a variety of different roles in the organisation, such as fundraising and programming, for example. Many employees take on management and business-related responsibilities, which are not in their areas of expertise.

As such, administration skills suffer from as much of a skills gap as technical skills. Creative and Cultural businesses experience skills gaps due to staff lacking experience, no time for training and/or a limited budget, while only 7% say that their skills gaps were caused by the limited availability of relevant training; the issue is not how the Creative and Cultural industries workforce can fill their skills gaps, but how they can find time for, and finance, training.

Skills gaps identified by employers suggest the need for a more professional approach to training delivery in the Creative and Cultural industries. Traditionally, Government investment is targeted primarily at further and higher education and at support to acquire additional vocational qualifications.

However, employers report a number of barriers stopping them from offering adequate training to their staff. A common issue in training provision is the lack of available time

¹²⁹ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

or a lack of funds available. Many Creative and Cultural organisations also feel that their staff are already fully proficient and are in no need of continuing professional development (CPD) – indicating that they may not be thinking sufficiently about future skills issues¹³⁰.

The consequence of a potential workforce that is highly qualified but skills deficient is that businesses and employees already in the industry, as well as those wanting to enter it, require re-skilling in specific areas to be adequately prepared for work (and thus to increase productivity). Funding for Level 3 or 4 qualifications for those who already hold equivalent qualifications is not always possible. As a result, the cost of such training falls either on the individual or their employer.

The continued availability of finance to support investment in skills is vital in the Creative and Cultural industries, where 94% of organisations are micro-businesses¹³¹, but ensuring that sufficient finance mechanisms are in place to support all aspects of the business can be challenging. The vast majority of businesses (94%) have neither an internal training budget nor any record of accessing external training funding (89%)¹³². Almost three quarters of businesses (73%) say that their turnover has either stayed the same or declined during the previous two years¹³³. Despite this, when training does occur, 42% of Creative and Cultural businesses fully fund it.

Only 11% of Creative and Cultural businesses have accessed public funding¹³⁴. Nearly a third of businesses in the industry do not do so because they are not sure how to apply, and nearly one in five do not believe that they are even eligible.

3.4 Skills Supply: The External Versus the Internal Labour Market Conundrum

Perhaps the most interesting facet of the Creative Industries sector is the fact that it is so atypical of the general labour market with its heavy reliance on freelancers. Most of the last century our economy has been dominated by employment rather than self-employment.¹³⁵ This leads many observers to conclude that such an atypical situation is in need of correction in order to conform with the mainstream. Yet this is to miss the

¹³⁰ *Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey*

¹³¹ *Creative & Cultural Skills (2011) Creative and Cultural Industries: Impact and Footprint 2010/11*

¹³² *Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey*

¹³³ *Ibid.*

¹³⁴ *Ibid*

¹³⁵ www.emeraldinsight.com/Insight/viewContentItem.do?contentType=Article&hdAction=Inkhtml&contentId=872020

point about the unique dynamics of the sector with its concentration of small organisations and sole traders. The industrial structures and institutions have not emerged in many of the sub-sectors to support organisational labour markets of the kind that typify many other sectors. This is because of the nature of the project based work on offer across the sector and the need to keep overheads low and margins sharp.

Intrinsically this type of external labour market has many advantages to employers – flexibility, adaptability, the speed of matching skills to task, lower fixed costs, and lower management costs. These vibrant external labour markets are a source of competitive strength to the sector, which need to be enhanced in such a way that some of the downsides for individual contractors are minimised. For example some academics have described the evolution of the Creative Industries' labour markets as being like the introduction of a 'tournament' culture to these industries.¹³⁶ In short this means that aspiring entrants compete with each other for no, or little, financial reward in order to gain network and social capital that will enable them to join their chosen profession and be paid for their skills.

People who work in the Creative Industries quickly accommodate to the higher levels of labour market insecurity their chosen professions lead to. In these industries you are often only as good as your last commission which is why awards are such an important element in badging and branding quality and success - perhaps far more than qualifications in some parts of the sector. They assume that their external labour market situation is the norm, not the exception, and embrace the fact that their external or secondary labour market is in fact - for them - a primary labour market. Adaptability is a key aptitude of the Creative Industries worker.

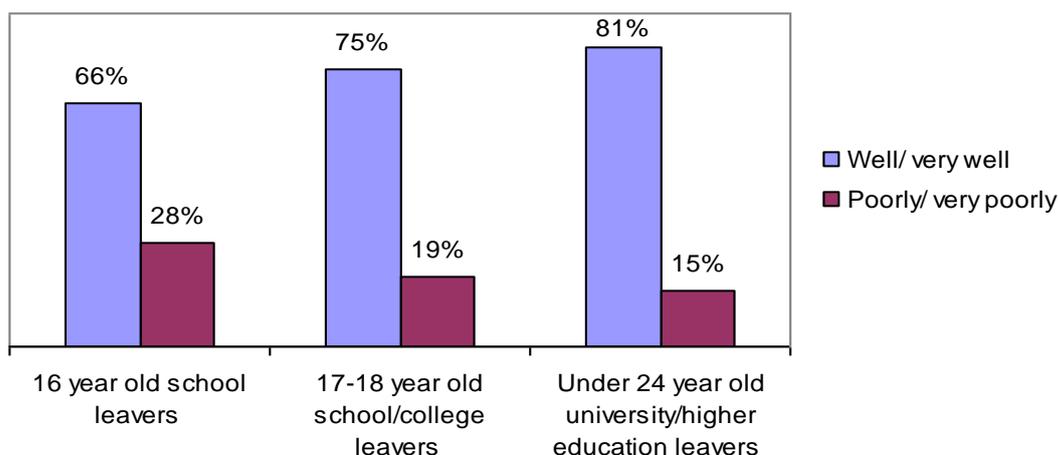
It should be noted that this is not entirely true for all sub-sectors of Creative Industries. Sectors such as Cultural Heritage, Textiles, Publishing and Archives have more traditional internal labour market routes for progression.

3.4.1 Skills Supply: the Education System

Eight in ten employers (81%) in the combined creative footprints of Skillset and CCSkills in England who had recruited new graduates from Higher Education in the past year perceived them as being well prepared for work; a similar figure to employers generally in England (84%).

¹³⁶ Guile, D (2009) *Learning to work in the Creative and Cultural sector: new spaces, pedagogies and expertise*

Employer perception of how prepared education leavers have been for work ¹³⁷



With the notable exception of Fashion and Textiles the sector as a whole is characterised by high levels of level 4 and above qualifications. Around 60% of people employed in the Creative Media sector have level 4 and above qualifications.

Similarly, 54% of the workforce in the combined creative footprint of Skillset and CCSkills are qualified to NQF Level 4 as illustrated in Table 2.1.

Highest qualification held – combined creative footprint ¹³⁸

| Highest qualification held | Combined footprint |
|----------------------------|--------------------|
| NQF Level 4 and above | 54% |
| NQF Level 3 | 12% |
| Trade Apprenticeships | 3% |
| NQF Level 2 | 12% |
| Below NQF Level 2 | 8% |
| Other qualifications | 6% |
| No qualifications | 5% |
| Total | 100% |

Source: LFS (Jul 2009 - Jun 2010). The figures represent Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES. Exclusions apply - see Annex A for methodology.

¹³⁷ NESS 2009. The figures represent an analysis of data by the Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES. Exclusions apply - see Annex A for methodology.

¹³⁸ LFS (Jul 2009 - Jun 2010). The figures represent Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES. Exclusions apply - see Annex A for methodology.

Demand for highly skilled and well qualified workers emerging from the Further and Higher Education systems is evident. But so too is a degree of scepticism reported from employers as to the relevance of the content of many FE and HE courses. This is why Skillset academies and CCSkills National Skills Academy, for example, seem to be faring better in terms of the employability of their graduates into sector relevant jobs when compared with many other education providers. The 'fit' between course and what might be expected in the workplace is tighter. Employers are thus more confident about what they will get from these institutions and courses.

For example just over a quarter (26.2%) of all Skillset Accredited Course students who find employment 6 months after graduating find work in Skillset relevant industries (industries that Skillset has a sole contracted responsibility for). This is over 2.5 times the 10% of students on all Skillset relevant courses who find employment 6 months after their course in Skillset industries. Furthermore, almost a third (32.8%) of accredited course students find employment in all Skillset relevant industries 6 months after graduating (e.g. those industries that Skillset has sole responsibility for and those it shares with other SSCs) almost twice the 17.7% of students from Skillset relevant courses.¹³⁹

In addition, of the Creative Industries employers that had used Skillset's learning and development services, including Skillset Academies and accredited courses, 74% stated it had made their company more productive and/or competitive.¹⁴⁰

An important step change has been that the Media and Film Academy Network are offering not only entry level type programmes at Foundation Degree and undergraduate level, but also short courses and CPD for experienced professionals with a wider range of business development and applied research programmes.

It is self evident that a range of relevant occupational and prioritised vocational qualifications should be accessible to meet the current and future needs of employers across the sector. Just as Skillset has been developing approaches to ensure this happens so too Creative & Cultural Skills has been developing approaches that ensure that employers across their footprint have a strong say in which qualifications should be developed and in influencing the content of occupational qualifications. The key activities being undertaken to achieve this include:

¹³⁹ 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.

¹⁴⁰ Skillset (2010) Creative Media Employer Survey. Excludes Advertising.

- The development of new National Occupational Standards (NOS), Apprenticeship pathways and qualifications for new occupational areas in response to industry demand
- The piloting of new Apprenticeships in other sectors and at higher levels based on need
- The continuation of close partnership work with the National Skills Academy, as a key delivery partner for our Apprenticeships programme. Through the Apprenticeship Training Service offered by the NSA, CCSkills are in a position to broker new relationships with employers and partners and support the take up of Apprentices in the sector
- Further consultation on different elements of the Sector Qualifications Strategy as required by the sector
- The development of Creative Choices for information advice and guidance regarding the industry and Apprenticeships across the footprint.

As a consequence employers are becoming much keener to promote greater uptake of Sector Skills Council backed courses and accreditation services, which identify provision that best meet industry needs. For example Foundation degrees have already 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.

Barriers remain in creating cross-disciplinary pathways in education that would add significant value for the Creative Industries. To support progression there is a need to bring students together across disciplines to collaborate, innovate and pursue new research and development. Industry needs to be more engaged with Higher Education to help shape provision, support delivery and provide work experiences that enable graduates to become more work ready.

In the school system and at FE and HE institutions there are significant issues with careers advice. Students generally are not receiving high quality advice to help them understand the opportunities across the digital and other creative and cultural 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 Industries. The degree of network capital required to enter many of the professions is also a handicap. Changes to the funding of higher education will mean that there is greater need for information, advice and guidance for individuals entering the sector. There is

currently an over-supply of graduates with arts degrees aspiring to get jobs in the Creative and Cultural industries. Despite this over-supply, employers say that the majority of graduates lack the relevant skills for work. The need for improved advice that is tailored to the sector is vital.

In terms of solving these skills blockages, there are two areas that need to be considered; firstly, how the higher education system can better align itself with the needs of employers in the Creative Industries, and, secondly, how the industries themselves can access structured and appropriate continuing professional development.

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

In order to achieve this, the following practical solutions can be utilised:

- Increase the number of high-quality industry work placements for students;
- Facilitate industry exchanges and professional development for tutors; and
- Encourage the Creative and Cultural industries to support and endorse high-quality courses.

Support for the Creative and Cultural industries to access continuous professional development opportunities is also vital. The importance of CPD to the Creative and Cultural industries should not be underestimated:

- Employers say that training is often irrelevant, uncontextualised and difficult to find;
- 10% of employers say they would provide more training if they knew where to source it;
- Government support for business and skills development is regularly untapped by the Creative and Cultural industries who seldom engage with it; and
- The current challenging economic climate, especially given that employers also need to keep pace with changes in regulations and technology and to respond proactively to new opportunities, exacerbates the need for training and support.

In the current climate business skills and the management of change are likely to be essential elements.

The often informal and ad hoc nature of training in the Creative and Cultural industries means that the quality and relevance of much of it is unknown. However, there is a broad range of CPD resources, courses and training available in the market place, and it is important that it is appropriately mapped to identify relevant provision, gaps and mismatches with the industry.

Businesses in the Creative and Cultural industries have tended not to influence provision in further and higher education. This is because the sector perceives the development of higher education as being determined by student demand rather than by employers' needs, meaning that they do not get involved in course provision.

A knock-on effect of this lack of alignment between the education system and the Creative and Cultural industries is that the sector is less successful in benefiting from funding for vocational qualifications, because their workforce tends already to be qualified to a higher level than the average across the UK's workforce.

However, employers raise concerns that highly qualified graduates are not 'job-ready' and need to acquire further skills, either on the job or through ongoing training opportunities.

There is currently an over-supply of graduates with arts degrees aspiring to find employment in the Creative and Cultural industries. Despite this over-supply, employers say that the majority of graduates lack the relevant skills for work; proper signposting of education, training and development opportunities is therefore vital. Changes to the funding of the higher education system will mean that there is even greater need for guidance for individuals planning their education and career paths.

The industry needs clear information, advice and guidance for individuals aspiring to enter the sector. Creative Choices (www.creative-choices.co.uk) is an example of such a bespoke industry-endorsed IAG tool.

In order to achieve this, the following practical solutions can be utilised:

- The continued provision and signposting of relevant knowledge, tools and support to potential and current employees and employers in the Creative and Cultural industries; and

- The use of sector-endorsed labour market information and industry intelligence to help users make informed choices.

3.4.2 Skills Supply: Workforce Development

Demand for learning and development remains high in the Creative Industries. In Skillset's 2010 Creative Industries Employer Survey employers reported software packages such as Photoshop, Avid and Final Cut Pro, technical skills and sales and marketing as the areas of learning and development most commonly completed by their workforce.

One in two members of the workforce declared a current need for learning and development. However, less than half of Creative Industries employers had funded or arranged learning or development for their workforce in the past 12 months.¹⁴¹

Compared to employees, freelancers were more likely to need learning and development (60%). A smaller proportion of freelancers in the Creative Media footprint had undertaken learning and development (43% v. 65%) but those who did had undertaken more (an average of 13 days v. 9 days).¹⁴²

Barriers to learning and development are also a challenge for the Creative Industries. Reported barriers or obstacles to learning and development include, fees are too high, employers were unwilling to pay for learning and development, difficulty in assessing the quality of courses, proximity of learning and development provider; lack of formal requirements for CPD in some professions such as Performing Arts or Music for example; and lack of time/cost to the business of staff being away being developed. There were considerable differences between the experiences of employees and freelancers. A far higher proportion of freelancers than employees reported virtually every type of barrier.

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 Industries employers offer apprenticeships (9%) though half would consider doing so in the future. This is a clear priority area for the Coalition Government and more resources are being invested in developing

¹⁴¹ Skillset (2010) Creative Media Employer Survey. Excludes Advertising.; Creative and Cultural Skills (2009) Workforce Survey

¹⁴² Skillset (2008) Creative Industries Workforce Survey. Excludes Film Production, Photo Imaging, Publishing and Advertising.

apprenticeship approaches.¹⁴³ The proportion of employers that offer apprenticeships ranges from 24% 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%), camera/photography (16%), technical development (15%) and distribution, sales and marketing (15%).¹⁴⁴

Graduate internships were twice as likely as apprenticeships to be offered by Creative Media Industries employers (18%). In addition, another 36% would consider offering an internship. A significantly higher proportion of employers than average within Other Content Creation (44%) and Film Production (43%) offer graduate internships.¹⁴⁵

Although many Creative and Cultural businesses in CCSkills footprint have made use of training advice and accreditation schemes, only 39% of businesses engaged in training for staff in 2008/9¹⁴⁶. In fact, the percentage of those arranging training for staff has steadily declined over the last seven years¹⁴⁷. This may reflect the fact that there are few inbuilt requirements in the sector for employees to update their practice or to acquire and develop formal qualifications.

A lower percentage of employers in the combined creative footprint of Skillset and CCSkills in England report that they formally assess their employees' skills gaps (47%) compared to employers in all sectors (57%). Reported provision of both on-the-job and off-the-job training is also lower among employers in the combined footprint compared to other sectors.¹⁴⁸

| Training provision for staff | Combined footprint | All Sectors |
|---|---------------------------|--------------------|
| Formally assesses whether individual employees have gaps in their skills | 47% | 57% |
| Has funded or arranged any off-the-job training for staff over past 12 months | 40% | 51% |
| Has funded or arranged any on-the-job training for staff over past 12 months | 46% | 55% |

¹⁴³ www.hm-treasury.gov.uk/spend_sr2010_speech.htm

¹⁴⁴ Skillset (2010) Creative Media Employer Survey. Excludes Advertising

¹⁴⁵ Ibid

¹⁴⁶ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

¹⁴⁷ UKCES (2010) Employment and Skills Almanac

¹⁴⁸ NESS 2009. The figures represent an analysis of data by the Standard Industrial Classification (SIC) codes contracted to Skillset and CCSkills by the UKCES. Exclusions apply - see Annex A for methodology.

Employers report a number of barriers to offering their staff training (see table 9). A common issue in training provision is lack of available time (cited by 27% of businesses) or a lack of funds available (14%). Many Creative and Cultural organisations (50%) also feel that their staff are already fully proficient and are in no need of continuing professional development (CPD) –indicating that they may not be thinking sufficiently about future skills issues¹⁴⁹.

Table 9: Reasons for not training

| | Creative and Cultural industries |
|---|---|
| Your staff are already fully proficient | 50% |
| There is not enough time for training | 27% |
| Other | 24% |
| Your establishment lacks the funds for training | 14% |
| No appropriate training is available in terms of subject area | 7% |
| There is a lack of cover for training | 5% |
| Training is not considered to be a business priority | 4% |
| Your staff are not keen to participate in training | 1% |
| Training is available but not at the right level | 1% |
| No suitable training is available in terms of mode of delivery | 1% |

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

3.4.3 Skills Supply: Diversity

A particular issue with the notable exception of Fashion and Textiles, in terms of skills supply into the Creative Industries is the changing profile in terms of women and Black, Asian and Minority Ethnic representation, which has fallen sharply in recent years in some sub-sectors, along with an increase in people leaving the industries in their thirties and forties.¹⁵⁰

¹⁴⁹ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

¹⁵⁰ Skillset (2008) Creative Industries 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, Creative & Cultural Skills (2011) Creative and Cultural Impact and Footprint 2010/11.

3.5 Sub-Sectors

Television

Overview

Television is one of the major sectors within the Creative Industries. It comprises Broadcast Television (Terrestrial and digital/satellite/cable), Independent Production, Distribution and Video on demand, DVD, Interactive Television. Current estimates suggest that around 50,000 people are employed across the sector in the UK.¹⁵¹ The majority of jobs - around 43% - are in the Independent Production sub-sector while Terrestrial Broadcast and Cable and Satellite respectively enjoy 31% and 25% of the total.¹⁵²

The Television sector comprises over 1,250 businesses (350 Broadcast TV and 850 Independent Production).¹⁵³ The independent sector is made up of mainly small companies (some 85% employ less than 50 people) though some companies operate at scale.¹⁵⁴

An estimated 34,000 people work in Broadcast TV in the UK.¹⁵⁵ The BBC is the largest employer and producer of the Public Service Broadcasters (PSBs). The Broadcast TV industry comprises just over 350 businesses including the eight Terrestrial Broadcast TV companies (BBC, ITV, Channel 4, Five, S4C, STV, UTV and Channel Television). In addition to the main terrestrials there are over 300 digital, cable, satellite and distribution companies. The current age of austerity has meant that all the public sector broadcasters are under considerable pressure to cut budgets. The BBC has taken on the funding of the World Service for example and S4C will come into its funding remit from 2013. The government will cut S4C's funding by 94% over the next four years as a consequence. While the BBC will see 16% cut from its budget over the next six years as a consequence of these decisions.¹⁵⁶

¹⁵¹ Skillset (2009) Employment Census

¹⁵² Ibid

¹⁵³ 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.

¹⁵⁴ Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTSR (May 2009).

¹⁵⁵ Skillset (2009) Employment Census

¹⁵⁶ www.bbc.co.uk/news/uk-politics-10924719

Broadcast TV, like the rest of the Creative Industries, is characterised by a much higher proportion of freelance and short-term contract working than the economy as a whole. Overall, 28% of the TV sector works freelance (though figures vary from 44% in Independent Production to 11% in Cable and Satellite TV). The sector also draws on the Facilities and Animation sector for support.¹⁵⁷ The sector is highly qualified with 71% of workers holding a degree.¹⁵⁸

Around two thirds of the TV industry (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 agglomerations' are concentrated in London and its surrounding areas (Wycombe and Slough), Brighton, Bristol, Cardiff and the North of Wales and Scotland.¹⁵⁹

A number of factors suggest a growing importance for the TV sector as an employer within the Creative Industries. 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 independent production sector;
- Regulatory and other commitments to increase output outside of London including commitments by the BBC.
- The development of local community television
- The rise of 3DTV

¹⁵⁷ Ibid

¹⁵⁸ Skillset (2008) Creative Industries Workforce Survey

¹⁵⁹ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

Supply

In HE: 6,020 TV courses exist across the UK and these courses were being studied by 125,152 students 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).¹⁶⁰

In FE: 756 courses exist in England that have learning aims that are in some way relevant to the TV sector and these account for 312,448 learners in 2008/09 (second only to Film in the Creative Industries). 45% of these learners are female, 14% are BAME and 12% had an identified disability.¹⁶¹

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.

Demand for learning and development by the TV sector workforce according to respondents to the Skillset 2008 Creative Industries Workforce Survey in the three main sub-sectors remained high at more than 50% of respondents but down on the more than 60% of 2005. The most requested subjects of learning and development was in 'editing' (11% of respondents), software specific to the industry (16%) production (10%) and camera (8%).¹⁶²

Approaching two-thirds (64%) of Television employers fund or arrange learning or development for staff, compared to 47% of employers across the Creative Industries.¹⁶³ There was slight variation between TV Broadcasters (including Terrestrial, Cable & Satellite and Distributors - 69%) and TV Production companies (60%). Three quarters

¹⁶⁰ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

¹⁶¹ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

¹⁶² Skillset (2008) Creative Industries Workforce Survey

¹⁶³ Skillset (2010) Creative Media Employer Survey

(76%) of TV employers who use freelancers also extend learning and development opportunities to them.¹⁶⁴

A third (33%) of TV employers have a learning and development plan for the year ahead (varying from 52% of TV Broadcasters to 23% of TV Production companies). This is higher than the 18% of employers across the wider Creative Industries.¹⁶⁵

Skills Shortages

A third (32%) of TV employers have current vacancies, and of these employers three in ten (31%) report having hard to fill vacancies and hence skills shortages (varying from 22% of TV Broadcasters to 43% of TV Production companies). The TV average is actually lower than the Creative Industries employer average of 46%.¹⁶⁶ The occupation in which these skills shortages exist most commonly is Production (for 38% of TV employers).

TV employers 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%), creative talent (23%), sales and marketing (22%), multi-skilling (20%) and skills in using software packages such as Photoshop, Avid and Final Cut Pro (19%).¹⁶⁷

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 13% of the workforce.¹⁶⁸
- 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,

¹⁶⁴ Ibid

¹⁶⁵ Ibid

¹⁶⁶ Ibid

¹⁶⁷ Ibid

¹⁶⁸ Skillset (2008) Creative Industries Workforce Survey

particularly freelancers who may have been forced to take this route as a result of redundancy.¹⁶⁹

- A shortage of new graduates into the industry with the ability to develop strong stories for Television drama, though journalistic skills remain well supplied.

Current Skills Gaps

A third (32%) of TV employers report a skills gap within their current workforce, with little variation by sub-sector and only slightly higher than the Creative Industries employer average (28%).¹⁷⁰

More than half of TV employers highlighted leadership and management (53%), and sales and marketing (53%) as broad areas in which skills gaps exist amongst employees. Creative talent (40%), skills in using software packages such as Photoshop, Avid and Final Cut Pro (32%) and technical skills (32%) were also highlighted as skills gap areas by between three and four in ten TV employers. Within the broad category of 'technical skills' – editing, TV/video production, camera and sound were the most common specific areas of skills gaps.

Amongst freelancers areas of skills gaps are very similar. TV employers most frequently mentioned skills gaps relating to sales and marketing (36%), skills in using software packages such as Photoshop, Avid and Final Cut Pro (32%), leadership and management (30%), creative talent (29%) and technical skills (28%). Again camera, sound and editing were the most frequently mentioned types of technical skills.

Skills gaps amongst their current workforce were most frequently associated with strategic management (43%) and production (29%) roles for employees and production (42%) roles for freelancers.¹⁷¹

Furthermore, other evidence direct from the workforce shows that:

- Over half (55%) of the TV workforce had received some learning and development. This 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.

¹⁶⁹ Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTRC (May 2009)

¹⁷⁰ Skillset (2010) Creative Media Employer Survey

¹⁷¹ Ibid

Two thirds (64%) of permanent employees working in the TV industry had received some learning and development compared to just 37% of freelancers.¹⁷²

- On average the TV workforce received 5.1 days learning and development. Individuals working in independent production received the greatest number of days learning and development on average (5.5 days) compared with an average of 4.9 days for both the cable and satellite and broadcast TV workforce. Freelancers received an average of 3.7 days, compared to the 5.9 days received by employees.¹⁷³
- The 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%).¹⁷⁴

Future skills

Skillset's 2010 Creative Industries Employer Survey asked employers to identify any potential future skills gaps. Interestingly TV employers predicted that there would be gaps in a wide variety of broad skills areas: Technical skills (mentioned by 33% of TV employers), skills to develop content for multiple platforms (30%), leadership and management (30%), sales and marketing (28%), multi-skilling (28%), creative talent (27%) and skills in using software packages such as Photoshop, Avid and Final Cut Pro (27%).

Within the broad category of 'technical skills', TV employers were most likely to specifically mention editing (13%), TV/Video production (11%) and camera skills (7%). 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 9% of TV employers).

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

- Programme innovation;
- Deal structuring;
- Cross media ownership;

¹⁷² Skillset (2008) Creative Industries Workforce Survey

¹⁷³ Ibid

¹⁷⁴ Ibid

- IP issues;
- Extended scheduling skills;
- Diagonal skills of 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.¹⁷⁵

The introduction of YouView next year is particularly likely to create related skills needs around the production of content for multiple-platforms.¹⁷⁶ 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 Industries processes, products and services.¹⁷⁷

Film

Overview

Despite the shockwaves created by the demise of the UK Film Council, the Film sector in the UK has much latent potential and is a repository of fine technical talent.

Indicative findings also suggest that the sector enjoys relatively strong levels of workforce diversity: 43% of the Film Production workforce is female.¹⁷⁸ This despite the reportedly long hours and intensive culture associated with film - with 43% of the

¹⁷⁵ Ibid

¹⁷⁶ 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

¹⁷⁷ Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTRC (May 2009)

¹⁷⁸ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

sub-sector's workforce across the UK reporting that they worked between 11 and 12 hours a day.¹⁷⁹ The sub-sector has a 6% representation of BAME groups across the UK Film sector (4% in Film Production).¹⁸⁰ Around 3% of the UK Film Production sub-sector consider themselves to be disabled with 42% of these reportedly below 35 years of age.¹⁸¹

The Film sector comprises over 500 businesses (250 Film Production, 150 Cinemas and 100 Film Distribution).¹⁸² Employers report confidence across the sector and the UK has an enviable position in the global market context in areas such as Facilities, particularly VFX, acting talent, and technical skills such as camera, sound, lighting, set design etc.

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.¹⁸³

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 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.¹⁸⁴

The nature of the Film Production sector raises concerns surrounding retention. The Film Production sub-sector is characterised by very high levels of freelance working –

¹⁷⁹ 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.

¹⁸⁰ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

¹⁸¹ Ibid

¹⁸² 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.

¹⁸³ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

¹⁸⁴ UK Film Council (2010) Statistical Yearbook

89% – suggesting a highly mobile workforce.¹⁸⁵ Associated with this finding, 85% of the surveyed UK Film Sector workforce stated that they had received no learning and development over the previous year.¹⁸⁶

Production occupations are most numerous; 24% of the workforce reportedly working in this role. Similarly, 23% work in Art and Design and 10% in Camera/Photography jobs roles giving rise to concerns that freelancing may be overly concentrated in these sub-sectors.¹⁸⁷

Supply

In HE: 6,414 Film courses exist across the UK and these courses were being studied by 128,539 students 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).¹⁸⁸

In FE: 757 courses exist in England that have learning aims that are in some way relevant to the Film sector and these account for 318,988 learners in 2008/09 (the highest of all Creative Industries sectors). 45% of these learners are female, 14% are BAME and 12% had an identified disability.¹⁸⁹

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.

¹⁸⁵ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

¹⁸⁶ Skillset/UK Film Council (2008) Feature Film Production Workforce Survey

¹⁸⁷ Skillset (2009) Employment Census and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey. Caution should be taking in drawing conclusions based on these findings due to sample sizes.

¹⁸⁸ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

¹⁸⁹ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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 15% of Film employers in the UK reported having vacancies at the time of Skillset's 2010 Creative Industries Employer Survey, and very few of these employers had any hard to fill vacancies and hence skills shortages.¹⁹⁰ 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 (55%) and sales and marketing (35%).¹⁹¹

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 UK Film Production sub-sector. 17% of the workforce undertaking learning and development in the last 12 months received this type of learning and development. Art/Design, Camera and construction were all 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 UK Film Production sector 52% stated they needed learning and development in the future. Of these, 19% mentioned they were looking to up-skill on core business skills – (including finance, leadership and management, marketing and management). Interestingly, the percentage of freelancers requesting learning and development in core business skills was much higher than the percentage that had recently received learning and development in this area. Some 16% required learning and development in art/design, 13% camera, 12% general computer/administration skills and 8% technical skills in editing/post production/digital production/visual effects.¹⁹²

¹⁹⁰ Ibid

¹⁹¹ Ibid

¹⁹² Skillset (2008) Creative Industries Workforce Survey and Skillset/UK Film Council (2008) Feature Film Production Workforce Survey.

Current Skills Gaps

Over a third (38%) of Film employers report a skills gap within their current workforce, which is higher than the English Creative Industries average (28%).¹⁹³

More than half of Film employers highlighted sales and marketing (53%) an area in which a skills gap exists amongst employees. Skills in using software packages such as Photoshop, Avid and Final Cut Pro (43%) and business skills (particularly business planning/strategy 41%) were also highlighted as skills gap areas. Similar skills gaps were linked to the freelance workforce, with the addition of finance skills and multi-skilling.¹⁹⁴

Skills gaps amongst their current workforce were most frequently associated with business management roles for employees and production roles for freelancers.¹⁹⁵

Approaching three fifths (59%) of Film employers fund or arrange learning or development for staff, compared to 47% of employers across the Creative Industries.¹⁹⁶ Approaching half (46%) of Film employers who use freelancers also extend learning and development opportunities to them.¹⁹⁷

A fifth (19%) of Film employers have a learning and development plan for the year ahead (similar to the 18% of employers across the wider Creative Industries).¹⁹⁸

Further research on skills gaps and shortages has revealed that current generic skill needs in the context of the film sub-sector included:¹⁹⁹

- 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);
- High end production skills, particularly in areas outside London;
- Story or narrative skills.

¹⁹³ Skillset (2010) Creative Media Employer Survey

¹⁹⁴ Ibid

¹⁹⁵ Ibid

¹⁹⁶ Ibid

¹⁹⁷ Ibid

¹⁹⁸ Ibid

¹⁹⁹ Skillset (2009): Film Sector Employers Skills and Training Needs in Production, Distribution and Exhibition.

Moreover, current specialist skills needs include:²⁰⁰

- 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).

Future Skills

Skillset's 2010 Creative Industries Employer Survey asked employers to identify any potential future skills gaps. Film employers predicted that there would be gaps in relation to leadership and management (40%), finance skills (30%), sales and marketing (30%) and skills to develop content for multiple platforms (28%, including 13% specifically mentioning digital broadcasting and digital projection).

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.

It is anticipated that future skill needs within film will centre on developments in new digital technology.²⁰¹ 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

²⁰⁰ Ibid

²⁰¹ Ibid

Radio

Overview

The Radio industry consists of around 750 organisations, independent stations and other companies comprising BBC Radio, around 250 commercial radio groups and independent stations, 400 community and voluntary radio stations and over 50 independent production companies for radio.²⁰²

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.²⁰³

The sector numbers 20,900 people²⁰⁴ and the employment profile shows somewhat higher levels of diversity than that found in other parts of the Creative Industries sector, with the second highest ratio of female workers (44%) of any sector. Though that falls to just 30% in the independent sector. Representation from BAME groups is around 7%. Overall, just under a quarter (23%) of the workforce is freelance, but substantially more amongst the 4,450 people working in the sector within the broadcast management occupational group (62%).²⁰⁵

Key developments and trends in the UK Radio market include:

²⁰² 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.

²⁰³ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

²⁰⁴ Skillset (2009) Employment Census

²⁰⁵ 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 2003.²⁰⁶
- 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 2015.²⁰⁷ 30% of UK households were thought to have DAB Digital radio in 2008 compared to 2% in 2003.²⁰⁸
- 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 courses exist across the UK and these courses were being studied by 60,564 students 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 Postgraduate, 12,785 first degrees, 477 foundation degrees and 2,045 other undergraduate qualifications).²⁰⁹

²⁰⁶ Ibid

²⁰⁷ Ibid

²⁰⁸ Ibid

²⁰⁹ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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: 502 courses exist in England that have learning aims that are in some way relevant to the Radio sector and these account for 208,566 learners in 2008/09. 23% of these learners are female, 15% are BAME and 10% had an identified disability.²¹⁰

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 (32%) of Radio employers have current vacancies, and of these employers 35% report having hard to fill vacancies and hence skills shortages (lower than the Creative Industries employer average of 46%).²¹¹ The occupations in which these skills shortages exist most commonly are distribution, sales and marketing, editorial, journalism and sport and performers.

Radio employers 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 (33%), sales and marketing (32%), multi-skilling (27%) and finance skills (23%).²¹²

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 functions and understand all of them. Finally sales and marketing skills are missing at a sufficiently high level across much of the sector.²¹³

²¹⁰ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

²¹¹ Skillset (2010) Creative Media Employer Survey

²¹² Ibid

²¹³ Skills Review: A Skills Review for the TV and Radio Sector: A Report for Skillset, Ofcom and BTSR (May 2009)

Current Skills Gaps

A third (32%) of Radio employers report a skills gap within their current workforce, higher than the English Creative Industries average (28%).²¹⁴

More than half of Radio employers highlighted sales and marketing (60%) and leadership and management (50%) as broad areas in which skills gaps exist amongst employees. Finance skills (40%), business skills (35%), multi-skilling (33%) and technical skills (33%) 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).²¹⁵

Skills gaps amongst their current workforce were most frequently associated with distribution, sales and marketing roles for both employees and freelancers.²¹⁶

Over two-thirds (68%) of Radio employers fund or arrange learning or development for staff (varying from 77% of those in Broadcast Radio to 59% in Community/Voluntary Radio), compared to 63% across all Creative Industries employers. Over four fifths (83%) of Radio employers who use freelancers also extend learning and development opportunities to them.²¹⁷

Four fifths (39%) of Radio employers have a learning and development plan for the year ahead (much higher than the 18% of employers across the wider Creative Industries).²¹⁸

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%).²¹⁹

Future Skills

Skillset's 2010 Creative Industries Employer Survey asked employers to identify any potential future skills gaps. The most common future skills gap predicted by Radio

²¹⁴ Skillset (2010) Creative Media Employer Survey

²¹⁵ Ibid

²¹⁶ Ibid

²¹⁷ Ibid

²¹⁸ Ibid

²¹⁹ Skillset (2010) Creative Industries Workforce Survey

employers in England is sales and marketing (mentioned by 40% of employers). Leadership and management (30%), multi-skilling (28%), creative talent (25%), skills to develop content for multiple platforms (24%) and production skills (22%) 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' and 'design and development of web sites or web applications (both predicted by 7% of Radio employers in England).

Animation

Overview

The Animation sector employs around 4,300 people of which 46% are freelance, 19% female and only 2% from a BAME background.²²⁰ The animation workforce has healthy clusters in Wales and Scotland (9% and 12% respectively of the total UK workforce) and 20% are in London.²²¹

There are in excess of 600 Animation businesses in the UK.²²² The vast majority with fewer than 50 staff.

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 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 UK²²³. However, the sector's reliance on other Creative Industries such as Television, VFX and Games, means it is susceptible to changes in those Industries. Furthermore, the UK sector is seeing competition from low cost but increasingly highly quality producing

²²⁰ Skillset (2009) Employment Census

²²¹ Ibid

²²² 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.

²²³ For the most current data on skills within VFX and Computer Games sectors please refer to the forthcoming Livingstone/Nesta review due for publication in January 2011 to which Skillset and e-Skills have contributed.

international competitors from countries such as China, Korea and Singapore and from tax-friendly regimes in other countries, notably Canada.²²⁴

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.²²⁵

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.²²⁶ Indeed animation productions made in the UK have more than halved in the last five years.²²⁷

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

²²⁴ <http://news.bbc.co.uk/1/hi/entertainment/8225954.stm>

²²⁵ Screen Digest figures reported in 'The Global Animation Industry: facts and stats' in IMAGINE Nov/Dec 2009

²²⁶ Ofcom and PACT

²²⁷ <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.²²⁸

Supply

In HE: 1,049 Animation courses exist across the UK and these courses were being studied by 22,789 students in 2008/09. Approaching half (48%) of these learners are female, whilst 13% are BAME and 15% had an identified disability. In 2008/09 16,578 individuals attained an Animation related qualification (consisting of 2,827 Postgraduate, 11,966 first degrees, 425 foundation degrees and 1,357 other undergraduate qualifications).²²⁹

In FE: 57 courses exist in England that have learning aims that are in some way relevant to the Animation sector and these account for 2,341 learners in 2008/09. 52% of these learners are female, 18% are BAME and 14% had an identified disability.²³⁰

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

A fifth (21%) of Animation employers reported having vacancies at the time of Skillset's 2010 Creative Industries Employer Survey, and around half (51%) of these employers had hard to fill vacancies and hence skills shortages.²³¹ Those that did have hard to fill vacancies were mainly in Animator, Art & Design, Creative Development and Business Management roles.

²²⁸ Skillset (2009) Employment Census; www.otakunews.com/article.php?story=1548

²²⁹ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

²³⁰ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

²³¹ Skillset (2010) Creative Media Employer Survey

Animation employers 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 software packages such as Photoshop, Avid and Final Cut Pro (27%), multi-skilling (25%), finance (24%), leadership and management (23%) and sales and marketing (21%).²³²

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.²³³

Current Skills Gaps

Three in ten (30%) Animation employers report a skills gap within their current workforce, slightly higher than the Creative Industries average (28%).²³⁴

Animation employers highlighted a wide variety of areas in which skills gaps exist amongst employees: most commonly technical skills (mainly CGI: 3D/Animation/VFX/Graphic design and computer usage), skills in using software packages such as Photoshop, Avid and Final Cut Pro, multi-skilling, sales and marketing, skills to develop content for multiple platforms (particularly the design and creation of digital content and web sites or web applications), production skills (particularly production management) and business skills (particularly commercial awareness and pitching, presentation and proposal writing). Amongst freelancers creative talent, multi-skilling and skills to develop content for multiple platforms (mainly knowledge of new technology and platforms) 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.²³⁵

44% of Animation employers fund or arrange learning or development for staff, slightly less than the 47% across all Creative Industries employers. Three quarters (73%) of

²³² Ibid

²³³ Skillset (2008) Creative Industries Workforce Survey; Skillset (2005) Survey of the Audio Visual Industries' Workforce

²³⁴ Skillset (2010) Creative Media Employer Survey

²³⁵ Ibid

Animation employers who use freelancers also extend learning and development opportunities to them.²³⁶

Just 14% of Animation employers have a learning and development plan for the year ahead (lower than the 18% of employers across the wider Creative Industries).²³⁷

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 per head received. This is nearly twice as much 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. Over 65% of those employed in the sector are seeking learning and development in areas identified as needed by the sector. While the major barrier to learning and development is the cost involved.²³⁸

Future Skills

Skillset's 2010 Creative Industries Employer Survey asked employers to identify any potential future skills gaps. Interestingly Animation employers 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 31% of employers), skills in using software packages such as Photoshop, Avid and Final Cut Pro (30%), business skills (particularly entrepreneurial skills, 29%), sales and marketing (26%), skills to develop content for multiple platforms (22%) and creative talent (22%).²³⁹

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.²⁴⁰

²³⁶ Ibid

²³⁷ Ibid

²³⁸ Skillset (2008) Creative Industries Workforce Survey

²³⁹ Skillset (2010) Creative Media Employer Survey

²⁴⁰ Skillset's employer and stakeholder qualitative framework 2010

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 Effects²⁴¹, Special Physical Effects, Manufacture of Equipment, Processing Laboratories and Other Services for Film and Television. Overall UK wide estimates point to a workforce of around 43,000 people.²⁴² Nearly 30% of the total work as freelancers (rising to 44% in Studio and Equipment Hire, 42% in Other Services for Film and Television and 40% in Outside Broadcast) and the Facilities workforce has just 26% female representation. Though Processing Laboratories at 46% and Special Physical Effects and the Manufacture of AV Equipment at 36% and 34% respectively are considerably higher. While Post Production at 12%, Outside Broadcast at 9% and Visual FX at 19% are lower. There is also 7% representation from BAME groups overall with a high of 17% in Processing Laboratories and a low of 3% in Outside Broadcast.²⁴³ Though caveats should be made around the relatively small sample sizes in the census in the outside broadcast sub-sector.

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 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.

In practice the sector is strongly London-centric. Some 80% of Post Production, 92% of VFX and around 45% of Studio and Equipment Hire and Studio and Equipment Hire are located in London. The notable sub-sector exceptions are the Manufacture of AV

²⁴¹ For the most current data on skills within VFX and Computer Games sectors please refer to the forthcoming Livingstone/Nesta review due for publication in January 2011 to which Skillset and e-Skills have contributed.

²⁴² Skillset (2009) Employment Census

²⁴³ Ibid

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.²⁴⁴

There are an estimated 3,200 Facilities businesses in the UK (comprising over 300 Post Production businesses, 1,050 Studios or Technical Equipment Hire businesses and over 1,800 other Facilities businesses including VFX).²⁴⁵

Supply

In HE: 3,954 Facilities courses exist across the UK and these courses were being studied by 77,251 students 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).²⁴⁶

In FE: 46 courses exist in England that have learning aims that are in some way relevant to the Facilities sector and these account for 66,912 learners in 2008/09. Just 2% of these learners are female, 12% are BAME and 6% had an identified disability.²⁴⁷

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 46% report having hard to fill vacancies and hence skills shortages (the same as the

²⁴⁴ Ibid

²⁴⁵ 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.

²⁴⁶ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

²⁴⁷ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

Creative Industries employer average of 46%).²⁴⁸ The occupations in which these skills shortages exist most commonly are Distribution, Sales and Marketing, Art and Design and Business Management.

Facilities employers 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 (37%), multi-skilling (32%), sales and marketing (29%) and skills in using software packages such as Photoshop, Avid and Final Cut Pro (23%).²⁴⁹

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.

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, which was judged a great success, but very expensive to be scalable.²⁵⁰

- Graduate new entrants in the VFX sub-sector lack computer operating system, visual effects and specific software skills, and a lack of basic understanding of techniques, work pipelines 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*”).²⁵¹ 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.

²⁴⁸ Skillset (2010) Creative Media Employer Survey

²⁴⁹ Ibid

²⁵⁰ Review of the First Post scheme revealed a strongly positive response from those with some involvement. However, concern has been raised about the extent to which the scheme was been promoted, particularly amongst the freelance workforce. See also Skillset (2008) Creative Industries Workforce Survey.

²⁵¹ Skillset Review of First Post scheme

Current Skills Gaps

Three in ten (31%) Facilities employers report a skills gap within their current workforce, only slightly higher than the English Creative Industries average (28%).²⁵²

More than half of Facilities employers highlighted sales and marketing (51%) as a skills gap area amongst employees. Leadership and management (49%), multi-skilling (42%), business skills (particularly business planning/strategy 40%) and technical skills (38%) were also highlighted as skills gap areas. Facilities employers were most likely to cite multi-skilling (43%), skills in using software packages such as Photoshop, Avid and Final Cut Pro (41%) and technical skills (particularly sound, 36%) as skills gap areas amongst freelancers.²⁵³

Skills gaps amongst their current workforce were most frequently associated with engineering and transmission, strategic management, art and design and distribution, sales and marketing roles.²⁵⁴

Over half (57%) of Facilities employers fund or arrange learning or development for staff, higher than the 47% of employers across the Creative Industries.²⁵⁵ Approaching three quarters (72%) of Facilities employers who use freelancers also extend learning and development opportunities to them.²⁵⁶

Over a fifth (22%) of Facilities employers have a learning and development plan for the year ahead (slightly higher than the 18% of employers across the wider Creative Industries).²⁵⁷

Demand for learning and development by the workforce in this sector is varied. Two per cent of graduates and non-graduates alike wanted learning and development in Post Production and 3% of non-graduates wanted learning and development in driving and operating lifts and vehicles.²⁵⁸

The 2008 Creative Industries Workforce Survey and UK wide review of the First Post scheme revealed:

²⁵² Skillset (2010) Creative Media Employer Survey

²⁵³ Ibid

²⁵⁴ Ibid

²⁵⁵ Ibid

²⁵⁶ Ibid

²⁵⁷ Ibid

²⁵⁸ Skillset (2008) Creative Industries Workforce Survey

- Skills gaps in the Visual Effects sub-sector workforce in relation to project management, people management, and basic administration;
- A growing fear that the industry doesn't have a sufficient culture of skills development in the area of leadership and management: many managers start out as 'runners' and progress from there without having formal management 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 Industries Employer Survey asked employers to identify any potential future skills gaps. Interestingly Facilities employers predicted that there would be gaps in a wide variety of broad skills areas: Sales and marketing (29%), technical skills (28%), leadership and management (25%), multi-skilling (24%), skills in using software packages such as Photoshop, Avid and Final Cut Pro (22%) and business skills (21%).²⁵⁹

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

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 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.²⁶⁰

About 34,300 people work in the Interactive Media sector.²⁶¹ Just over three quarters of all jobs in the sub-sector are in 'online content'. In terms of employment profile, the 21% of the sector's workforce are freelancers, with only 6% of the total employed being

²⁵⁹ Skillset (2010) Creative Media Employer Survey

²⁶⁰ www.skillset.org/interactive/industry/

²⁶¹ Skillset (2009) Employment Census

women and a mere 4% coming from a BAME background. This shrinks to just 1% in other Interactive Media.²⁶²

The Interactive Media sector's workforce is highly educated - nine in ten (88%) have an undergraduate or postgraduate degree or diploma (the highest amongst all Creative Industries sectors).²⁶³

There are an estimated 7,450 Interactive Media businesses in the UK.²⁶⁴ The vast majority (95%) have less than 50 staff.²⁶⁵

Supply

In HE: 3,627 Interactive Media courses exist across the UK and these courses were being studied by 66,473 students 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).²⁶⁶

In FE: 106 courses exist in England that have learning aims that are in some way relevant to the Interactive Media sector and these account for 8,336 learners in 2008/09. 47% of these learners are female, 24% are BAME and 14% had an identified disability.²⁶⁷

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.

²⁶² Ibid

²⁶³ www.skillset.org/uploads/pdf/asset_13233.pdf?4

²⁶⁴ 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.

²⁶⁵ Skillset (2009) Employment Census.

²⁶⁶ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

²⁶⁷ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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

A fifth (21%) of Interactive Media employers have current vacancies, and of these employers 56% report having hard to fill vacancies and hence skills shortages (higher than the Creative Industries employer average across England of 46%).²⁶⁸ The occupations in which these skills shortages exist most commonly are Technical Development, and Distribution, Sales and Marketing.

Interactive Media employers 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 (26%), skills in using software packages such as Photoshop, Avid and Final Cut Pro (20%) and multi-skilling (20%).²⁶⁹

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).²⁷⁰

Current Skills Gaps

Three in ten (29%) Interactive Media employers report a skills gap within their current workforce, similar to the UK Creative Industries average (28%).²⁷¹

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 (43%), business skills (32%) and skills in using software packages such as Photoshop, Avid and Final Cut Pro (31%) were also highlighted as skills gap areas. Amongst freelancers - technical skills (again commonly computer programming, 40%), skills in using software packages such as Photoshop, Avid and Final Cut Pro (30%) and skills to develop content for multiple platforms (mainly the design and development of mobile applications and web sites and web applications, 26%) were the most common skills gap areas cited.²⁷²

²⁶⁸ Skillset (2010) Creative Media Employer Survey

²⁶⁹ Ibid

²⁷⁰ www.skillset.org/interactive/industry/article_6921_1.asp

²⁷¹ Skillset (2010) Creative Media Employer Survey

²⁷² Ibid

Skills gaps amongst their current workforce were most frequently associated with technical development (42%) and distribution, sales and marketing (25%) roles for employees, and technical development (45%) roles for freelancers.²⁷³

Over half (52%) of Interactive Media employers fund or arrange learning or development for staff, higher than the 47% of employers across the Creative Industries.²⁷⁴ Approaching half (48%) of these employers who also use freelancers extend learning and development opportunities to them.²⁷⁵

Approaching a quarter (23%) of Interactive Media employers have a learning and development plan for the year ahead (higher than the 18% of employers across the wider Creative Industries).²⁷⁶

Around two thirds of the Interactive Media workforce had received some learning or development over a twelve month period between 2007/08.²⁷⁷ One in ten (11%) of the workforce in the Broadcast, Facilities, Animation, Interactive Media and Content for Computer Games sectors stated a need for learning and development in online, web design, interactive media or electronic games.²⁷⁸ Data suggest that amongst the web and internet sub-sector the most common areas of learning and development received are online/web design/interactive media/electronic games (29%), specific software applications (19%) and legal (18%). In other sub-sectors as a whole, 25% of those trained in 2007/08 received learning or development in specific software applications. Regulatory/compliance training in ethics/ safeguarding trust (25%) and health and safety (23%) were also relatively common.²⁷⁹

Over half (55%) of the Interactive Media workforce in the UK cited a learning or development need in 2007/08, which was lower than in 2004/05 (70%). The most commonly cited areas of learning and development required were on-line/web design/interactive media/electronic games (27%), specific software applications (22%) and business skills (17%).²⁸⁰

²⁷³ Ibid

²⁷⁴ Ibid

²⁷⁵ Ibid

²⁷⁶ Ibid

²⁷⁷ Skillset (2008) Creative Industries Workforce Survey

²⁷⁸ Ibid

²⁷⁹ Ibid

²⁸⁰ Ibid

The cost of learning and development, and time available seem to be the main barriers to take up.²⁸¹

Future Skills

Skillset's 2010 Creative Industries Employer Survey asked employers to identify any potential future skills gaps. Interestingly Interactive Media employers predicted that there would be gaps in a wide variety of broad skills areas: Technical skills (mentioned by 34% of employers), sales and marketing (32%), leadership and management (27%), multi-skilling (25%), skills to develop content for multiple platforms (25%) and skills in using software packages such as Photoshop, Avid and Final Cut Pro (24%).²⁸²

Within the broad category of 'technical skills', Interactive Media employers were most likely to specifically mention computer programming (14%). 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 7% of employers).²⁸³

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

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 45,000 people are thought to work in the sector across the

²⁸¹ Ibid

²⁸² Skillset (2010) Creative Media Employer Survey

²⁸³ Ibid

UK, Photographers comprising the largest sub-sector.²⁸⁴ Some 67% of the workforce are freelance, 42% female and 5% from a BAME background.²⁸⁵

There are an estimated 8,650 Photo Imaging businesses in the UK (comprising 4,950 Photographic Activity businesses and 3,750 other Photo Imaging businesses). The vast majority (91%) have just 1-4 staff.²⁸⁶

Supply

In HE: 1,663 Photo Imaging courses exist across the UK and these courses were being studied by 30,403 students 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).²⁸⁷

In FE: 127 courses exist in England that have learning aims that are in some way relevant to the Photo Imaging sector and these account for 14,253 learners in 2008/09. 56% of these learners are female, 21% are BAME and 14% had an identified disability.²⁸⁸

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.

²⁸⁴ Labour Force Survey July 2009 – June 2010

²⁸⁵ Ibid

²⁸⁶ IDBR 2009 – some very small businesses operating without VAT or PAYE schemes (self employed and those with low turnover and without employees) may be missing from this estimate

²⁸⁷ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

²⁸⁸ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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 6% of Photo Imaging employers have current vacancies, and of these employers, 65% report having hard to fill vacancies and hence skills shortages (higher than the Creative Industries employer average of 46%).²⁸⁹ The occupation in which these skills shortages exist most commonly is Distribution, Sales and Marketing.

Photo Imaging employers 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 (46%), leadership and management (37%), skills in using software packages such as Photoshop, Avid and Final Cut Pro (34%) and multi-skilling (31%).²⁹⁰

Current Skills Gaps

Just under a quarter (24%) of Photo Imaging employers report a skills gap within their current workforce, lower than the English Creative Industries average (28%).²⁹¹

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 software packages such as Photoshop, Avid and Final Cut Pro (58%) and technical skills – including computer programming and usage (46%) were also highlighted as skills gap areas. Amongst freelancers the most commonly identified skills gap areas were skills in using software packages such as Photoshop, Avid and Final Cut Pro (60%), technical skills (commonly photographic skills and computer/software usage, 42%) and sales and marketing (41%).

Skills gaps amongst their current workforce were most frequently associated with camera/photography, distribution, sales and marketing and library/archives roles for employees and camera/photography for freelancers.²⁹²

More than three in ten (34%) of Photo Imaging employers fund or arrange learning or development for staff, lower than the 47% of employers across the Creative

²⁸⁹ Skillset (2010) Creative Media Employer Survey

²⁹⁰ Ibid

²⁹¹ Skillset (2010) Creative Media Employer Survey

²⁹² Ibid

Industries.²⁹³ Three fifths (62%) of these employers who also use freelancers extend learning and development opportunities to them.²⁹⁴

Just 12% of Photo Imaging employers have a learning and development plan for the year ahead (lower than the 18% of employers across the wider Creative Industries).²⁹⁵

Across the industry as a whole, the most significant specialist skills gaps continue to be around the use of digital technology, knowledge of digital workflow and management of digital assets.²⁹⁶ 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.²⁹⁷

The Skillset (2007) Photo Imaging Workforce Survey did however reveal that 26% 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' (21%) and 'Marketing' (18%) were also identified.

Future Skills

Skillset's 2010 Creative Industries Employer Survey asked employers to identify any potential future skills gaps. Interestingly Photo Imaging employers predicted that there would be gaps in a wide variety of broad skills areas: Skills in using software packages such as Photoshop, Avid and Final Cut Pro (36%), sales and marketing (35%), multi-skilling (26%) and technical skills (20%).²⁹⁸

Three fifths (57%) of the workforce identified a future learning or development need. Some 25% cited as a reason for learning and development that they wanted to keep up with the field and improve their effectiveness at work. Of those 60% stated a need for 'specialist software learning and development'. The next most frequently identified were 'business skills' (15%) and 'minilab and printing skills' (13%).²⁹⁹

²⁹³ Ibid

²⁹⁴ Ibid

²⁹⁵ Ibid

²⁹⁶ Ibid

²⁹⁷ Ibid

²⁹⁸ Skillset (2010) Creative Media Employer Survey

²⁹⁹ Skillset (2007) Photo Imaging Workforce Survey reported in Skillset (2009) Photo Imaging Labour Market Intelligence Digest

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. Publishing accounted for 1% of UK Gross Value Added (GVA) in 2008, an estimated figure of £10.1bn.³⁰⁰

There are over 178,000 people employed throughout publishing of whom 47,000 work in newspaper publishing, 44,000 in journals and periodical publishing, 31,000 in book publishing and 37,000 in other publishing. Some 13% are freelance, 46% female, 5% from a BAME background and 11% disabled. Some 5% of those who work in newspaper publishing are freelancers rising to 21% in book publishing.³⁰¹

Two thirds (67%) of the Publishing workforce is aged 35 or over. Amongst the Publishing Industry sub-sectors, the Other Publishing workforce has the highest proportion of individuals aged 35 or over (74%). Seven in ten (70%) of the Book Publishing workforce are aged 35+, as are around two-thirds of the workforce in each of Newspaper Publishing and Journals & Periodicals. Seven in ten (69%) men in the Publishing workforce are aged 35 and over, compared to 64% of women.³⁰²

There are an estimated 11,600 Publishing businesses in the UK. The majority of establishments in the sector are small with 88% having 10 employees or fewer and 97% fewer than 50.³⁰³

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 identified in Oxford, Bath and Minehead. There is further significant specialisation in London, Cambridge, Peterborough, Ludlow and the North of Scotland.³⁰⁴

³⁰⁰ DCMS Economic Estimates, December 2010

³⁰¹ Labour Force Survey July 2009 – June 2010

³⁰² Labour Force Survey July 2009 – June 2010

³⁰³ IDBR 2009

³⁰⁴ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

According to the Labour Force Survey, over a third (36%) of the Publishing workforce is based in London. Other significant bases in England are the South East (13%), East of England (11%) and South West (10%).³⁰⁵

Across the UK the Magazine and Newspaper Publishing sub-sectors have undergone major structural changes. This has been driven by both the recession and a longer term movement away from the traditional advertising revenue model to more online content. 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.³⁰⁶ 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.³⁰⁷ 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.

The Publishing workforce is fairly concentrated in associate professional and technical roles (40% of the workforce) and managers and senior officials (28%). A further one in ten (11%) work in administrative and secretarial roles. Interestingly the proportion employed as managers and senior officials within the Publishing industry is steadily increasing (from 23% in 2007).³⁰⁸

Supply

Half (51%) of the Publishing workforce are graduates. The Book Publishing sub-sector has the highest proportion of graduates of all the Publishing sub-sectors (75%), followed by Journals & Periodicals (65%). The Newspaper Publishing workforce has a much lower proportion of graduates in comparison (35%).³⁰⁹

³⁰⁵ Labour Force Survey July 2009 – June 2010

³⁰⁶ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

³⁰⁷ Deloitte Media Predictions 2009

³⁰⁸ Labour Force Survey July 2009 – June 2010

³⁰⁹ Ibid

In HE: 1,922 Publishing courses exist across the UK and these courses were being studied by 39,743 students 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).³¹⁰

In FE: 238 courses exist in England that have learning aims that are in some way relevant to the Publishing sector and these account for 127,350 learners in 2008/09 (second only to Film in the Creative Industries). 60% of these learners are female, 19% are BAME and 19% had an identified disability.³¹¹

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.

Workforce Development

Approaching half (46%) of Publishing employers fund or arrange learning or development for staff, similar to the wider Creative Media Industries (47%).³¹² This varied from 50% of employers in the Other Publishing sub-sector, to 44% of Book Publishers, 42% of Journals & Periodicals Publishers and 40% of Newspaper Publishers.

Half (52%) of these employers who also use freelancers extend learning and development opportunities to them (varying from 60% of Newspaper Publishing employers, to 55% of Book Publishing employers and 53% of Journals & Periodicals employers).³¹³

³¹⁰ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

³¹¹ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

³¹² Skillset (2010) Creative Media Employer Survey

³¹³ Ibid

Amongst employers offering learning and development to staff, the majority favour sending staff out to an external course or seminar (70%). Other common methods of delivery are structured support on the job by another employee e.g. mentoring, coaching (57%) and ad-hoc non-structured support on the job by another employee (54%). Books and other printed materials (44%) and in-house training sessions conducted by other employees (39%) were also relatively popular methods, with internet based/online training (30%) a less popular option. Newspaper Publishing employers were most likely to favour in-house training sessions conducted by another member of their workforce (75%). Book Publishers, like many other employers, favoured sending staff out to an external course or seminar (76%) but unlike other sectors were also very likely to opt for books or printed materials (68%).³¹⁴

Just 13% of Publishing employers have a learning and development plan for the year ahead. Approaching a quarter (23%) of Newspaper Publishing employers have such a plan, much higher than the 12-13% of all other Publishing sub-sectors.³¹⁵

Seven in ten (69%) Publishing employers have seen no change to their learning and development budget over the past year. One in ten (10%) had seen a decrease, whilst a slightly higher proportion (14%) had actually seen an increase in their learning and development budget.

Skillset's (2010) Creative Media Employer Survey investigated employer usage of apprenticeships, graduate internships and work placements/work experience posts. Just 5% of Publishing employers offer apprenticeships, though a third (34%) would consider doing so in the future. Graduate internships were four times as likely as apprenticeships to be offered by Publishing employers (19%). In addition, another 35% would consider offering an internship. Seven in ten (70%) Publishing employers offer or would consider offering work placements or work experience posts. This includes 50% of employers that already offer work placements/work experience posts.

Skills Shortages

Just 13% of Publishing employers have current vacancies, and of these employers, 36% report having hard to fill vacancies and hence skills shortages (lower than the Creative Industries employer average across England of 46%).³¹⁶ The occupations in

³¹⁴ Ibid

³¹⁵ Ibid

³¹⁶ Skillset (2010) Creative Media Employer Survey

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

Publishing employers 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 (31%), creative talent (21%), Skills in using software packages such as Photoshop, Avid and Final Cut Pro (17%) and multi-skilling (16%).³¹⁷

Other evidence relating to new entrants points to the following skills shortages:³¹⁸

- 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;
- Understanding the impact of change on intellectual property rights.

Approaching three quarters (73%) of Publishing employers that have reported hard to fill vacancies have taken specific actions to overcome skills shortages. For the majority of these employers this commonly meant using new recruitment methods or channels (79%). More than four fifths of Publishing employers also took steps to increase or expand trainee programmes (46%), increase advertising or recruitment spend (43%) and increase salaries (42%).³¹⁹

Current Skills Gaps

Over a quarter (28%) of Publishing employers report a skills gap within their current workforce, the same as the Creative Industries average (28%).³²⁰

More than half of Publishing employers highlighted sales and marketing (64%) and technical skills (50%) as broad areas in which skills gaps exist amongst employees. Skills in using software packages such as Photoshop, Avid and Final Cut Pro (46%),

³¹⁷ Ibid

³¹⁸ Skillset (2009) From Recession to Recovery: an overview of the Impact of the Recession on the UK's Creative Industries and the Path to Recovery. Based on a sample of 262 employers.

³¹⁹ Skillset (2010) Creative Media Employer Survey

³²⁰ Ibid

business skills (38%, including 17% specifically mentioning entrepreneurial skills) and leadership and management (36%) 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 (40%) and technical skills (31%) were again the main skills gaps.

Skills gaps amongst their current workforce were most frequently associated with business management (24%), distribution, sales and marketing (24%), art and design (17%) and production (16%) roles for employees and art and design (31%) and business management (30%) roles for freelancers.³²¹

Similarly, for incumbent staff the available evidence points to skills gaps relating to:³²²

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

Future Skills

Skillset's 2010 Creative Industries Employer Survey asked employers to identify any potential future skills gaps. Interestingly Publishing employers predicted that there would be gaps in a wide variety of broad skills areas: sales and marketing (36%), skills in using software packages such as Photoshop, Avid and Final Cut Pro (33%), technical skills (22%), multi-skilling (21%), business skills (21%) and skills to develop content for multiple platforms (21%).³²³

³²¹ Ibid

³²² National Employers Skills Survey 2005, The Learning and Skills Council in partnership with the Department for Education and Skills and the Sector Skills Development Agency, London

³²³ Skillset (2010) Creative Media Employer Survey

Advertising

Overview

The Advertising sector consists of advertising agencies and media representation services. There are over 94,500 people employed throughout the sector of whom 72,000 work in advertising agencies and 23,500 in media representation services. Some 20% are freelance, 42% female and 10% from a BAME background. Some 22% of those who work in advertising agencies are freelancers falling to 13% in media representation services.³²⁴

There are an estimated 13,900 Advertising businesses in the UK. The majority of establishments in the sector are small with 91% having 10 employees or fewer and 98% fewer than 50.³²⁵ A small number of agencies account for a high proportion of total business.³²⁶

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.³²⁷

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 Advertising Agencies as included within the IPA membership. Despite the figures quoted above being for Skillset's footprint as a whole the remainder of this section therefore focuses on Advertising Agencies only.

The workforce as covered by IPA member companies has the following profile: 5% are freelance, 48% female, 8% BAME and 55% aged over 30.³²⁸

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

³²⁴ Labour Force Survey July 2009 – June 2010

³²⁵ IDBR 2009

³²⁶ 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.

³²⁷ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

³²⁸ IPA 2009 Census

reported as having received informal learning and development, 42% formal learning and development and 15% external learning and development.³²⁹ 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 courses exist across the UK and these courses were being studied by 51,252 students 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 a Advertising related qualification (consisting of 2,827 Postgraduate, 11,966 first degrees, 425 foundation degrees and 1,357 other undergraduate qualifications).³³⁰

In FE: 143 courses exist in England that have learning aims that are in some way relevant to the Advertising sector and these account for 101,912 learners in 2008/09. 66% of these learners are female, 18% are BAME and 19% had an identified disability.³³¹

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%).

³²⁹ CCS/TBR Workforce Survey, 2009

³³⁰ Figures from HESA 2008/09 quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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.

³³¹ Figures from Individual Learner Record (ILR) 2008/09 for England only quoted in Skillset/Research As Evidence (October, 2010) Mapping Creative Industries 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%).³³²

Skillset undertook a consultation exercise with industry representatives in October 2010 and skills shortage areas highlighted were:³³³

- 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 digital perspective:³³⁴

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

Skill Gaps

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%).³³⁵

26% of companies report losing business due to skills gaps in their workforce.³³⁶

³³² CCS/TBR Workforce Survey, 2009

³³³ Skillset's employer and stakeholder qualitative framework 2010

³³⁴ Ibid

³³⁵ CCS/TBR Workforce Survey, 2009

10% of companies said their employees had a specific entitlement to training and 8% that they had a training budget.³³⁷

Skillset's consultation exercise with industry representatives in October 2010 suggested skills gaps specific to:³³⁸

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

And from a digital perspective:³³⁹

- 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 2016.³⁴⁰ 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. Increasing navigation choice and complexity for consumers and particularly development of tools to help consumers break through clutter will offer new business opportunities for advertising and agencies.
- **Social** – the 24 hour society sets a new framework for rethinking roles for advertising. New media and channels have time shifted the possibility of communication and purchase to any time of the day or night. An increasingly networked society means that a greater number of links are possible between a

³³⁶ Ibid

³³⁷ Ibid

³³⁸ Skillset's employer and stakeholder qualitative framework 2010

³³⁹ Ibid

³⁴⁰ 'The Future of Advertising and Agencies: A 10-Year Perspective', Future Foundation and Institute of Practitioners in Advertising, 2006

given consumer or company, and other consumers or companies, for less effort. Consumer demand for novelty in products and experiences places an onus on manufacturers and service providers to innovate more quickly and in a more targeted way. In a prolific multi-media world, entertainment is increasingly seen to be the key to breaking through the clutter, and the best way to 'engage' the more flighty and technology-savvy consumer of the future. Media owners, advertisers and agencies, will be increasingly challenged to engage on a human level, in order to capture and audience.

- **Economic and political** – at the time of the Future Foundation report, most indicators pointed towards long term economic prosperity. However, the recession has obviously affected economic growth which in turn has adversely affected commercial advertising expenditure. This pattern is obviously expected. 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. 'Global mobility growth' means the old 'one message, one state' model no longer applies. Finally, the economic growth of India and China is highlighted as a factor in terms of both competition and evolving markets.

Craft

Overview

The craft sector is dominated by micro-businesses and the incidence of sole trading is rising. This sector characteristic is well established and documented in contemporary craft, with 87% of businesses known to be sole traders. It is also becoming more prevalent in the traditional and heritage crafts, particularly in certain disciplines such as lettering and calligraphy. In some cases identified sole traders may be the last practising a particular craft. For the majority of individuals, professional practice comprises several activities such as:

- designing and making functional, conceptual and decorative objects by hand curating
- designing for small scale (batch) production in specialist companies

- designing for large scale industrial manufacture
- working collaboratively with architects and engineers on public art works
- making props, objects or models for film, animation and TV working in the community
- teaching in schools, Further Education or Higher Education
- craft research and materials consultancy

The craft sector covers more than 18,000 businesses and 75,900 individuals; of the latter, 33% are self employed. Together, the craft sector makes an overall contribution to the national economy of £3.1 billion per year (GVA³⁴¹). 93% of the craft sector is white, and 30% is female. 88% of the sector is based in England (14% in the South East), 2% in Northern Ireland, 7% in Scotland, and 4% in Wales. 53% of the craft sector earns less than £20,000 per year.³⁴²

The most common occupations in craft are jeweller (13%), stone mason (11%) and administrator (10%). Over two thirds of businesses in the craft sector (67%) feel their business is performing the same or worse that it was a year ago. Coupled with this, three quarters (74%) have either seen no change in turnover or a decrease in revenue.³⁴³

Supply

Across the Craft sector 26% of employers have arranged training for their workforce in the last year. The most popular types of training or development tend to be informal, such as on the job coaching (39%), Knowledge based sessions delivered by an external provider (35%) and networking (25%). Apprenticeships, specific union learning and structured CPD based on organisational needs are the least common modes of training.

When evaluating training in terms of it enabling the business to be more productive, employers in England rate the following highly:

- NVQs or SVQs

³⁴¹ GVA (Gross Value Added) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom. Please see www.statistics.gov.uk/cci/nugget.asp?ID=254 for more information.

³⁴² Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11

³⁴³ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

- On-the-job coaching
- Training developed internally by your business
- Personal knowledge development e.g. reading
- Structured CPD based on organisational needs
- Mentoring³⁴⁴

It is interesting to note that only one of the most commonly used training methods (on-the-job coaching) features on this list. With the possible exception of structured CPD all the above training methods that enable increased productivity demand high outlays of time. Only 13% of businesses across the craft sector provide a specific entitlement to training for their employees. In addition to this over half of businesses (55%) state that employees spend no time training in the year. In businesses that do spend time training, 10% spend either 1-2 days or 5-7 days training each year.³⁴⁵

A very small proportion of employers in the sector (2%) have a dedicated training budget. Of those who do spend money on training, nearly a quarter (22%) spend less than £1000 a year. The majority (72%) spend nothing. This is reflected in the types of training that are popular in the sector, which largely tend to cost time rather than money.

Skills shortages

In the craft sector 28% of employers who have tried to recruit recently have faced difficulties. Difficulties tend to be related to a lack of specialist skills and a general lack of experience, although overall few difficulties were recorded. Occupations that pose particular difficulties in terms of recruitment in the craft sector are jeweller (noted by 18% of employers), glass maker (13%) followed by stone mason, textile maker and printer (all 9%). The major impacts of skills shortages for business operating in the craft sector are an increased workload for others (45% of businesses), turned away business (27%) lost business and delays to developing new products/services (both 23%).

³⁴⁴ Ibid

³⁴⁵ Ibid

Current Skills gaps

Only a quarter of employers (26%) feel that there are gaps in the skills base of their workforce. These gaps are driven by a lack of time to train staff (noted by 42% of employers) and a general lack of experience amongst staff (34%). Limited budget for training is also a significant factor within the sector (24%).

Occupations to which skills gaps tend to relate are jeweller (noted by 18% of employers), artist, potter, management roles and marketing positions (all 5%). Skills gaps in creative positions reflect similar difficulties to those experienced by employers in recruiting into these roles. The skills gaps have a much broader impact for businesses than skills shortages; lost business and an increased workload for others are the major impacts (each 24% of businesses), followed by delays to developing new products/services (22%) and more outsourcing of work (16%).³⁴⁶

Future skills needs

When considering skills gaps that are likely to affect their business in the future, employers in the craft sector predict that a lack of creative expertise and ICT skills to be potentially problematic. Over a third of businesses (38.8%) feel that they will not be adversely affected by skills gaps in the future.

In considering occupations that are likely to become increasingly important to the success of the business, employers highlight ICT, marketing, sales/retail and finance as key functions. The craft sector also highlighted jeweller, stone mason and glass maker as likely to have an increased importance. However, nearly half of respondents (46%) feel that all occupations will retain their current importance.³⁴⁷

Cultural Heritage

Overview

The cultural heritage sector includes museums, galleries with collections, built heritage, conservation, heritage landscape, archaeology, and related member organisations.

The sector comprises all those who collect, preserve, study and communicate the past,

³⁴⁶ Ibid

³⁴⁷ Ibid

present and future in order to develop and promote understanding. It consists of a variety of organisations, institutions, sector bodies and individuals. They operate at a national level across the UK, for devolved nations or at a regional and grass-roots level. A core part of the sector is publicly funded.

The cultural heritage sector covers more than 1,000 businesses and 53,700 individuals; of the latter, 4% are self employed. Together, the cultural heritage sector makes an overall contribution to the national economy of £5.6 billion per year (GVA³⁴⁸); 79% of the cultural heritage sector is white, and 49% is female. 86% of the sector is based in England (28% in London), 1% in Northern Ireland, 8% in Scotland, and 5% in Wales. 87% of the cultural heritage sector earns less than £20,000 per year.³⁴⁹

The most common occupations in cultural heritage are visitor relations (19%), archaeologist (12%) and curator (9%). Two thirds of businesses in the cultural heritage sector (67%) feel their business is performing the same or worse that it was a year ago. Consistent with this, two thirds (65%) have either seen no change in turnover or a decrease in revenue.³⁵⁰

Supply

Across the sector over three quarters (79%) of employers have arranged training for their workforce in the last year. The most popular types of training or development tend to be informal, knowledge based sessions delivered by an external provider (63%), networking (62%), personal knowledge development e.g. reading (61%), and on-the-job coaching (61%). Apprenticeships and specific union learning are the least common modes of training.³⁵¹

When evaluating training in terms of it enabling the business to be more productive, employers in England rate the following highly:

- An apprenticeship (8.8%)

³⁴⁸ GVA (Gross Value Added) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom. Please see <http://www.statistics.gov.uk/cci/nugget.asp?ID=254> for more information.

³⁴⁹ Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11

³⁵⁰ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

³⁵¹ *ibid*

- On-the-job coaching (7.8%)
- Knowledge based sessions delivered by an external provider (7.2%)
- Skills based sessions delivered by an external provider (7.2%)
- Personal knowledge development e.g. reading (7.2%)
- Mentoring (7.1%)

It is interesting to note that whilst apprenticeships are not often used, where they are they are seen as valuable to productivity. There is correlation between popular types of training and those that are seen as adding to productivity.

A comparatively high proportion of businesses across the sector, over a third (37%) provide a specific entitlement to training for their employees. In keeping with this, over a quarter of employees (26%) spend between 5-7 days training each year, whilst a further 19% spend 1-2 days training and 17% 3-4 days. Only 14% spend no time training each year.

A dedicated budget for training is also comparatively common in the cultural heritage sector with nearly a quarter (22%) responding accordingly. Of those who have a training budget, nearly a half (45%) spent less than £1000. One third (34%) spend nothing. A further 12% spent between £1001 and £5000. These findings reflect the types of training that are popular in the sector, which largely tend to cost time rather than money.³⁵²

Skills shortages

In the cultural heritage sector 21% of employers who have tried to recruit recently have faced difficulties recruiting. Difficulties tend to be related to a lack of experience amongst applicants and a general lack of applicants, although overall few difficulties were recorded. Occupations that pose particular difficulties in terms of recruitment in the cultural heritage sector are archaeologist (noted by 41% of employers), visitor relations positions (29%) and technician (15%).

The major impacts of skills shortages for business operating in England are an increased workload for others (46% of businesses), turned away business (40%) and lost business (29%).³⁵³

³⁵² Ibid

³⁵³ Ibid

Skills gaps

Just over one third of employers (36%) feel that there are gaps in the skills base of their workforce. These gaps are driven mainly by a lack of experience amongst staff (noted by 46% of employers) and a limited budget for training (34%). Limited availability of training is rarely an issue (7%). However, 28% of employers do note that limited time for training is a contributory factor.

Few occupations to which skills gaps tend to relate were mentioned. Of those which were, archaeologist, management, administrative and visitor relations roles were the most problematic. Skills gaps relating to archaeologists and visitor relations roles reflect the difficulties experienced by employers in recruiting into these roles.

The skills gaps have a much broader impact for businesses than skills shortages; an increased workload for others is the major impact (34% of businesses), followed by lost business (19%) turned away business (16%) and delays to developing new products/services (12%).³⁵⁴

Future skills needs

When considering skills gaps that are likely to affect their business in the future, employers in the cultural heritage sector predict that a lack of creative expertise, ICT skills and fundraising abilities to be potentially problematic. Only a fifth of businesses feel that they won't be adversely affected by skills gaps in the future.

In considering occupations that are likely to become increasingly important to the success of the business, employers highlight fundraising and marketing as key functions. Education, management and ICT skill are also noted as likely to have an increased importance. However, over a third of respondents (37%) feel that all occupations will retain their current importance.

³⁵⁴ Ibid

Design

Overview

The design industry comprises of a wide range of disciplines, including communications, graphic design, product and industrial design, interior design, and exhibitions, digital and multimedia design, and service design.

The design sector covers more than 15,000 businesses and 263,400 individuals; of the latter, 64% are self employed. Together, the design sector makes an overall contribution to the national economy of £8.25 billion per year (GVA³⁵⁵); 92% of the design sector is white, and 33% is female. 88% of the sector is based in England (20% in London), 3% in Northern Ireland, 6% in Scotland, and 3% in Wales. 46% of the design sector earns less than £20,000 per year.³⁵⁶

The most common occupations in design are graphic designer (28%), interior designer (12%) and administrator (8%). Almost three quarters of businesses in the design sector (71%) feel their business is performing the same or worse that it was a year ago. Coupled with this, nearly two thirds (63%) have either seen no change in turnover or a decrease in revenue.³⁵⁷

Supply

Across the design sector 40% of employers have arranged training for their workforce in the last year. The most popular types of training or development tend to be informal, such as personal knowledge development (e.g. reading) (as noted by 58% of employers), networking (48%), and attending conferences (44%). Apprenticeships, post-graduate level training and specific union learning are the least common modes of training.³⁵⁸

When evaluating training in terms of it enabling the business to be more productive, employers across the design sector rate the following highly:

³⁵⁵ GVA (Gross Value Added) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom. Please see www.statistics.gov.uk/cci/nugget.asp?ID=254 for more information.

³⁵⁶ Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11

³⁵⁷ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

³⁵⁸ Ibid

- An apprenticeship
- Mentoring
- On-the-job training
- Networking
- Knowledge based sessions delivered by an external provider³⁵⁹

It is interesting to note that only one of the most commonly used training methods (networking) features on this list and that whilst apprenticeships are not often used, where they are they are seen as highly valuable to productivity.

Only 18% of businesses across the design sector provide a specific entitlement to training for their employees. In addition to this 39% of businesses state that employees spend no time training in the year. In businesses that do spend time training, 16% spend either 5-7 days and 10% spend 1-2 days training each year.

A very small proportion of employers in the design sector (4%) have a dedicated training budget. One third (33%) of employers spend less than £1000 per year on training, while 53% spend nothing. This is reflected in the types of training that are popular in the sector, which tend largely to cost time rather than money.³⁶⁰

Skills shortages

In the design sector 19% of employers who have tried to recruit recently have faced difficulties recruiting. Difficulties tend to be related to a lack of both qualifications and specialist skills amongst applicants; although overall few difficulties were recorded. Occupations that pose particular difficulties in terms of recruitment in the design sector are graphic designers (noted by 32% of employers), ICT (31%) and retail/sales (17%).

The major impacts of skills shortages for business operating in the design sector are an increased workload for others (53% of businesses). Turned away business (20%) is also a notable impact.³⁶¹

³⁵⁹ Ibid

³⁶⁰ Ibid

³⁶¹ Ibid

Skills gaps

Approaching half of employers (44%) feel that there are gaps in the skills base of their workforce. These gaps are driven by a lack of time to train staff (noted by 39% of employers) and a lack of experience amongst staff (25%). Limited availability of training is very rarely an issue (4%). However, employers do note that a limited budget for training (27%) is a contributory factor.

Occupations to which skills gaps tend to relate are graphic designers (noted by 78% of employers), management roles (28%), interior designers (23%) and industrial designers (17%). Skills gaps in design based roles reflect the difficulties experienced by employers in recruiting into these roles.

The skills gaps have a much broader impact for businesses than skills shortages; lost business is the major impact (24% of businesses), followed by more outsourcing of work (23%), an increased workload for others (16%), delays to developing new products or services (15%) and turned away business (14%).³⁶²

Future skills needs

When considering skills gaps that are likely to affect their business in the future, employers in the design sector predict digital skills, online skills and creative expertise to be potentially problematic. A quarter of businesses feel that they will not be adversely affected by skills gaps in the future.

In considering occupations that are likely to become increasingly important to the success of the business, employers highlight ICT and marketing as key functions. Graphic design and product design are also noted as likely to have an increased importance. However, a third of respondents (34%) feel that all occupations will retain their current importance.³⁶³

³⁶² Ibid

³⁶³ Ibid

Music

Overview

The music workforce as anyone involved in performing, creating, producing, recording, promoting and selling music in the UK. This includes musicians and composers, national and regional orchestras, the recording industry and its retail and distribution arms, royalties and collection societies, live venues and festivals (both commercial and subsidised), music publishers, artist management and promotion, and the audio sector. Those music professionals who work in educational settings are also covered here, as are those involved in the production and repair of musical instruments and audio equipment.

There is a range of business models in the music sector, including publicly-subsidised music organisations and venues, commercial companies and venues, and not-for-profit organisations. These organisations range in size from multi-national corporations and national foundations through to small and medium-sized companies and freelancers/sole traders.

The music sector covers more than 7,900 businesses and 124,400 individuals; of the latter, 36% are self employed. Together, the music sector makes an overall contribution to the national economy of £4billion per year (GVA³⁶⁴); 93% of the music sector is white, and 39% is female. 85% of the sector is based in England (29% in London), 3% in Northern Ireland, 9% in Scotland, and 4% in Wales. 78% of the music sector earns less than £20,000 per year.³⁶⁵

The most common occupations in the music sub sector are musician (15%), retail / sales (14%) and management (12%). Over two thirds of businesses in the music sector (69%) feel their business is performing the same or worse that it was a year ago. Coupled with this, three quarters (76%) have either seen no change in turnover or a decrease in revenue.³⁶⁶

³⁶⁴ GVA (Gross Value Added) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom. Please see www.statistics.gov.uk/cci/nugget.asp?ID=254 for more information.

³⁶⁵ Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11

³⁶⁶ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

Supply

Across the music sector 30% of employers have arranged training for their workforce in the last year. The most popular types of training or development tend to be informal, such as on-the-job coaching, networking, and attending conferences (each noted by over 40% of employers). Apprenticeships, NVQs, graduate and post-graduate level training are the least common modes of training.

When evaluating training in terms of it enabling the business to be more productive, employers in the music sector rate the following highly:

- An apprenticeship
- Networking
- NVQ's or SVQ's
- Mentoring
- On-the-job coaching
- Graduate level training³⁶⁷

It is interesting to note that while two one of the most commonly used training methods (networking and on-the-job coaching) feature on this list, three of the least popular training methods (NVQ's, apprenticeships and graduate level training) while they are not often used, where they are they are seen as valuable to productivity.

Only 15% of businesses across the sector provide a specific entitlement to training for their employees. In addition to this over half of businesses (55%) state that employees spend no time training in the year. In businesses that do spend time training, 10% spend 5-7 days training each year, 8% spent 1-2 days and 7% spent 3-4 days.

A very small proportion of employers in the music sector (8%) have a dedicated training budget. One quarter (24%) of employers spend less than £1000 per year on training, two thirds (67%) spent nothing. This is reflected in the types of training that are popular in the sector, which largely cost time rather than money.³⁶⁸

³⁶⁷ Ibid

³⁶⁸ Ibid

Skills shortages

In the music sector 12% of employers who have tried to recruit recently have faced difficulties recruiting. Few difficulties were recorded. Difficulties tend to be related to a lack of both specialist and transferable skills and experience amongst applications. Occupations that pose particular difficulties in terms of recruitment in the music sector are production assistant (noted by 20% of employers), sound engineers, public relations and agent positions (all 15%).

The major impact of skills shortages for business operating in the music sector is an increased workload for others (58% of businesses). Lost business (24%), more work being outsourced (23%) and delays to developing new products/services (23%) are also noted as impacts.³⁶⁹

Skills gaps

Nearly one third of employers (30%) feel that there are gaps in the skills base of their workforce. These gaps are driven by a general lack of experience amongst staff (noted by 31% of employers) and a lack of time to train staff (26%). Limited availability of training is very rarely an issue. However, 22% of employers do note that a limited budget for training is a contributory factor

Occupations to which skills gaps tend to relate are management roles (noted by 18% of employers), musician (15%) and retail/sales positions (12%)

The skills gaps have a much broader impact for businesses than skills shortages; lost business is the major impact (21% of businesses), followed by turned away business (15%) and more outsourcing of work (6%).³⁷⁰

Future skills needs

When considering skills gaps that are likely to affect their business in the future, employers in the music sector predict digital, online and creative skills to be potentially

³⁶⁹ Ibid

³⁷⁰ Ibid

problematic. Nearly half of businesses feel that they won't be adversely affected by skills gaps in the future.

In considering occupations that are likely to become increasingly important to the success of the business, employers highlight ICT and marketing as key functions. Management and retail/sales are also noted as likely to have an increased importance. However, over a third of respondents (39%) feel that all occupations will retain their current importance.³⁷¹

Literature

Overview

The literature sector in the context of this publication refers to those individuals and organisations involved with literary creation in all its forms. This includes professional and aspiring creative writers (including, but not limited to, novelists, poets, playwrights, screenplay writers, spoken word performers and storytellers), those working in literature development and promotion, literary agents, literary critics, literary translators and literature festival managers.

The literature sector covers more than 16,900 businesses and 74,390 individuals; of the latter, 36% are freelance or sole traders and 69% are writers. Together, the literature sector makes an overall contribution to the national economy of £2.1 billion per year (GVA³⁷²); this figure does not include the publishing sector. 91% of the literature sector is white, and 46% is female. 91% of the sector is based in England (31% in London), 1% in Northern Ireland, 5% in Scotland, and 3% in Wales. 51% of the literature sector earns less than £20,000 per year.³⁷³

The most common occupations in literature are editor (16%), copywriter (16%) and management (11%). Almost three quarters of businesses in the literature sector (70%) feel their business is performing the same or worse that it was a year ago. Coupled

³⁷¹ Ibid

³⁷² GVA (Gross Value Added) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom. Please see www.statistics.gov.uk/ci/nugget.asp?ID=254 for more information.

³⁷³ Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11

with this, two thirds (68%) have either seen no change in turnover or a decrease in revenue.³⁷⁴

Supply

Across the literature sector 41% of employers have arranged training for their workforce in the last year. The most popular types of training or development tend to be informal, such as personal knowledge development (e.g. reading) (56% of employers) attending conferences and skills based sessions delivered by an external provider (each 33%). Apprenticeships, specific union learning, graduate and postgraduate level learning are among the least common modes of training.³⁷⁵

When evaluating training in terms of it enabling the business to be more productive, employers in England rate the following highly:

- On-the-job coaching
- Mentoring
- Skill based sessions delivered by an external provider
- Structured CPD based on organisational needs
- Personal knowledge development e.g. reading³⁷⁶

There is clear correlation between those training methods commonly used and those seen as enabling increased productivity.

Only 9% of businesses across the literature sector provide a specific entitlement to training for their employees. In addition to this almost half of businesses (50%) state that employees spend no time training in the year. In businesses that do spend time training, 23% spend 5-7 days and a further 9% each spend either 1-2 days or 21-30 days.

No employers in the literature sector have a dedicated training budget. Of those who do invest in training, 32% spend less than £1000. Nearly two-thirds 64% spend

³⁷⁴ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

³⁷⁵ Ibid

³⁷⁶ Ibid

nothing. This is a clear reflection of the types of training that are popular in the sector, which tend to cost time rather than money.³⁷⁷

Skills shortages

In the literature sector 29% of employers who have tried to recruit recently have faced difficulties recruiting. Very few difficulties were recorded. The only occupation that posed particular difficulties in terms of recruitment in the literature sector was for trainees (noted by 49% of employers). Very few impacts caused by skills shortages in the literature sector were recorded.³⁷⁸

Skills gaps

Just over one third of employers (36%) feel that there are gaps in the skills base of their workforce. These gaps are driven by a lack of time to train staff (noted by 50% of employers) and a general lack of experience amongst staff (25%). Limited availability of training is rarely an issue. However, 38% of employers do note that a limited budget for training is a contributory factor.

Occupations to which skills gaps tend to relate are editorial roles, administrative positions (both noted by 13% of employers), management and marketing roles (both 6% of employers). The skills gaps in the current workforce are far broader than those difficulties experienced by employers in recruiting.

The skills gaps have a much broader impact for businesses than skills shortages; lost business and an increased workload for others are the major impacts (both 25% of businesses), followed by delays to developing new products/services and more outsourcing of work (both 13%) and difficulties meeting quality standards (12%).³⁷⁹

Future skills needs

When considering skills gaps that are likely to affect their business in the future, employers in the literature sector predict ICT, digital and creative skills to be potentially problematic. Administrative and management skills are also of potential future concern

³⁷⁷ Ibid

³⁷⁸ Ibid

³⁷⁹ Ibid

for the sector. One third of businesses feel that they will not be adversely affected by skills gaps in the future.

In considering occupations that are likely to become increasingly important to the success of the business, employers highlight ICT and creative writing as key functions. Education, literary agent and storyteller are also noted as likely to have an increased importance. However, a third of respondents (36%) feel that all occupations will retain their current importance.³⁸⁰

Visual Arts

Overview

The visual arts sector is important not only in its own terms but also for its contribution to other industries such as design, advertising, interactive media, game design, film and publishing. The position of the visual arts within the creative industries has important implications for wider workforce development and consequently for the UK economy as a whole.

The visual arts sector covers more than 1,300 businesses and 44,800 individuals; of the latter, 87% are self employed. Together, the visual arts sector makes an overall contribution to the national economy of £0.34billion per year (GVA³⁸¹); 93% of the visual arts sector is white, and 53% is female. 83% of the sector is based in England (25% in London), 1% in Northern Ireland, 11% in Scotland, and 5% in Wales.³⁸²

The most common occupations in visual art are artist (15%), management (11%) and retail / sales (11%). Three quarters of businesses in England (75%) feel their business is performing the same or worse that it was a year ago. Coupled with this, nearly three quarters (71%) have either seen no change in turnover or a decrease in revenue.³⁸³

³⁸⁰ Ibid

³⁸¹ GVA (Gross Value Added) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom. Please see <http://www.statistics.gov.uk/cci/nugget.asp?ID=254> for more information.

³⁸² Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11

³⁸³ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

Supply

Across the visual arts sector 35% of employers have arranged training for their workforce in the last year. The most popular types of training or development tend to be informal, such as personal knowledge development (e.g. reading) (noted by 44% of employers) attending conferences (35%) and skills based training delivered by an external provider (26%).³⁸⁴ Apprenticeships, NVQs and specific union learning are the least common modes of training.

When evaluating training in terms of it enabling the business to be more productive, employers in England rate the following highly:

- Skills based sessions delivered by an external provider
- Networking
- On-the-job training
- Mentoring
- Postgraduate level training
- Knowledge based sessions delivered by an external provider³⁸⁵

It is interesting to note that only one of the most commonly used training methods (skills based training delivered by an external provider) features on this list.

Only 17% of businesses across the visual arts sector provide a specific entitlement to training for their employees. In addition to this almost half of businesses (47%) state that employees spend no time training in the year. In businesses that do spend time training, 14% spend 5-7 days training each year while a further 11% spend 1-2 days.

A very small proportion of employers in the sector (6%) have a dedicated training budget. Almost a quarter (21%) of employers spend less than £1000 per year on training, two thirds spend nothing. This is reflected in the types of training that are popular in the sector, which largely cost time rather than money.³⁸⁶

³⁸⁴ Ibid

³⁸⁵ Ibid

³⁸⁶ Ibid

Skills shortages

In the visual art sector 16% of employers who have tried to recruit recently have faced difficulties recruiting. Difficulties tend to be related to a lack of specialist skills amongst applications. Very few problems were recorded. Occupations that pose particular difficulties in terms of recruitment in the visual arts sector are ICT roles, acting roles, sculptors and conservators (each noted by 20% of employers).

The major impacts of skills shortages for business operating in England are an increased workload for others (30% of businesses), lost business (20%) and more work being outsourced (22%).³⁸⁷

Skills gaps

Just over one third of employers (36%) feel that there are gaps in the skills base of their workforce. These gaps are driven by a lack of time to train staff (noted by 55% of employers) and a general lack of experience amongst staff (28%). Limited availability of training is very rarely an issue (4.3%). However, 25% of employers do note that a limited budget for training is a contributory factor.

Occupations to which skills gaps tend to relate are artists (noted by 11% of employers), retail/sales and administrative roles (both 6%) followed by management positions (4%).

The skills gaps have a much broader impact for businesses than skills shortages; lost business is the major impact (33% of businesses), followed by delays to developing new products or services (21%), an increased workload for others (14%) and difficulties introducing new working practices (12%).

Future skills needs

When considering skills gaps that are likely to affect their business in the future, employers in the sector predict ICT, digital and creative skills to be potentially problematic. Marketing and Sales skills are also of particular concern within the sector. One third of businesses feel that they will not be adversely affected by skills gaps in the future.

³⁸⁷ Ibid

In considering occupations that are likely to become increasingly important to the success of the business, employers highlight ICT and marketing as key functions. Retail/sales and finance are also noted as likely to have an increased importance. A third of respondents (32%) feel that all occupations will retain their current importance.³⁸⁸

Performing Arts

Overview

The performing arts industry is defined as containing those venues, employers, small businesses and freelancers in the live music industry (including live performances of classical, pop, rock and all contemporary forms of music), dance, opera and theatre (including classical, contemporary, street arts, carnival arts, circus and physical theatre). This includes performers, promoters and those who provide backstage technical input and administration, but excludes the recorded music sector and its associated occupations.

The performing arts sector is characterised by a diversity of provision and business models, including: publicly subsidised companies and venues supported by the arts funding system (through the UK Arts Councils); local authority venues; smaller companies accessing project funding; and commercial entities, some of whom are not-for-profit organisations.

The performing arts sector covers more than 10,400 businesses and 148,000 individuals; of the latter, 55% are self employed. Together, the performing arts sector makes an overall contribution to the national economy of £3.5billion per year (GVA³⁸⁹); 94% of the performing arts sector is white, and 45% is female. 88% of the sector is based in England (31% in London), 1% in Northern Ireland, 7% in Scotland, and 4% in Wales. 64% of the performing arts sector earns less than £20,000 per year.³⁹⁰

³⁸⁸ Ibid

³⁸⁹ GVA (Gross Value Added) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom. Please see www.statistics.gov.uk/ci/nugget.asp?ID=254 for more information.

³⁹⁰ Creative & Cultural Skills (2011) Creative and Cultural Industry: Impact and Footprint 2010/11

The most common occupations in performing arts are management (13%), administrator (9%) and agent (9%). Almost three quarters of the performing art sector (73%) feel their business is performing the same or worse that it was a year ago. Coupled with this, over half (55%) have either seen no change in turnover or a decrease in revenue.³⁹¹

Supply

Across the performing arts sector 45% of employers have arranged training for their workforce in the last year. The most popular types of training or development tend to be informal, such as on-the-job coaching (noted by approximately 49% of employers), attending conferences (42%) and networking (39%). Graduate and postgraduate level training, apprenticeships, NVQs and specific union learning are the least common modes of training.

When evaluating training in terms of it enabling the business to be more productive, employers in England rate the following highly:

- Mentoring
- On-the-job coaching
- Training developed internally by the business
- Other vocational training
- Structured CPD based on organisational needs
- Networking³⁹²

There is clear correlation between those training methods that are popular with employers and those which enable increased productivity. It is interesting to note that none of the uncommon modes of training are seen as enabling increased productivity.

Only 19% of businesses across the sector provide a specific entitlement to training for their employees. In addition to this almost half of businesses (40%) state that employees spend no time training in the year. In businesses that do spend time training, 15% spend 1-2 days and 13% 3-4 days training each year

³⁹¹ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

³⁹² Ibid

A very small proportion of employers in the performing arts sector (11%) have a dedicated training budget. Just over one third (38%) of employers spend less than £1000 per year on training, nearly half (47%) spend nothing. This is reflected in the types of training that are popular in the sector, which largely cost time rather than money.³⁹³

Skills shortages

In the performing arts sector 34% of employers who have tried to recruit recently have faced difficulties recruiting. Difficulties tend to be related to a lack of both experience and specialist skills and also a lack of applicants. Overall few difficulties were recorded. Occupations that pose particular difficulties in terms of recruitment in the performing arts sector are administrative roles (noted by 18% of employers), technician (14%) and teacher (13%). The major impacts of skills shortages for business operating in the performing arts sector are an increased workload for others (50% of businesses), lost business (36%) and turned away business (24%).

Skills gaps

Just over one third of employers (38%) feel that there are gaps in the skills base of their workforce. These gaps are driven by a general lack of experience amongst staff (noted by 31% of employers) a lack of time to train staff (35%). Limited availability of training is rarely an issue (13%). However, 25% of employers do note that a limited budget for training is a contributory factor.

Occupations to which skills gaps tend to relate are management positions (noted by 46% of employers), marketing positions, entertainer roles (both 28%) and administration positions (24%). Skills gaps in administrative positions reflect the difficulties experienced by employers in recruiting to these roles.

The skills gaps have a much broader impact for businesses than skills shortages; an increased workload for others is the major impact (32% of businesses), followed by lost

³⁹³ Ibid

business (31%), delays to developing new products or services (21%) and difficulties introducing new working practices (12%).³⁹⁴

Future skills needs

When considering skills gaps that are likely to affect their business in the future, employers in the performing arts predict marketing, ICT and creative skills to be potentially problematic. One third of businesses feel that they will not be adversely affected by skills gaps in the future.

In considering occupations that are likely to become increasingly important to the success of the business, employers highlight ICT and marketing as key functions. Management and fundraising are also noted as likely to have an increased importance. However, half of respondents (51%) feel that all occupations will retain their current importance.³⁹⁵

Fashion and Textiles

Overview

The Fashion and Textiles sector accounts for around 79,000 firms employing 340,000 people. Some 97% of all workplaces in the sector employ fewer than 50 people. Some 21% of the workforce are self employed slightly lower than the 25% average across the whole Creative Industries sector but above the UK average of 13%. The North West is the largest employing region with 53,890 employees whilst London (46,230), East Midlands (45,570) and Yorkshire and Humber (35,910) all significant employment areas with their own regional specialism's and clusters³⁹⁶.

More than 40% of businesses have been going for more than 10 years³⁹⁷. Over two fifths of the workforce are process plant and machine operative occupations and elementary occupations reflecting the large amount of manufacturing and laundry and

³⁹⁴ Ibid

³⁹⁵ Ibid

³⁹⁶ tbr 2008

³⁹⁷ IDBR 2008

dry-cleaning activity represented where occupations relating to these functions are prominent. The sector has a better gender split. Some 50% of the workforce is female. This is due in large part to many traditional female roles such as sewing machining remaining heavily represented in the sector. and BAME representation is comparatively high at 16%, while 47% of the workforce is over 45.³⁹⁸

Total GVA for the sector in the UK is £11.5 billion³⁹⁹. Confidence across the sector is centred heavily on the emergence of high value added and niche production and movement into wholesaling and technical areas as firms have adapted to the global forces. The ability to exploit export markets keen for “the British brand” is a big area of importance.

Supply

The Fashion and textile sector face several supply side issues. These include a poor image among potential recruits, low entry level wages with a median wage of £17,000, a lack of awareness of career opportunities across the sector, poor industry links into education, poor recruitment mechanisms and a lack of suitably tailored learning and development opportunities.

Skills shortages

Skills shortages are particularly evident in the East of England, the South West and the North East. Employers in the Footwear and Leather sub-sector are the most likely to have skills shortages with 67% reporting they felt skills shortages were an issue if they were looking to recruit. In terms of occupations, sewn product operations, textile process operations, laundry and dry cleaning operations, garment alteration and repair, pattern cutting and grading, hand craft garment making, designers and textile technologists were all in short supply. Particular shortages were noted among supervisors and a concern identified that traditional skills were being lost, especially in industries such as shoe making. Also in short supply were engineers, supply chain managers, dyers and screen printers.

³⁹⁸ Annual Population Survey 2009

³⁹⁹ tbr 2008

Skills Gaps

Some 16% of establishments suffer from skills gaps.⁴⁰⁰ This rises to 21% in the South West and 12% in Greater London. The design sub-sector reports the highest levels of skills gaps with 20% and Footwear and Leather the smallest with 11%. Of those skills gaps identified management and leadership skills, oral and written communication skills, customer handling skills and general numeracy, literacy and problem solving skills were the most frequently referenced. Moreover traditional craft skills such as pattern cutting seem to be diminishing.

Future Skills Needs

A key area identified was keeping traditional craft skills alive as current practitioners retire. Design remains a high priority area with 36% of employers employing a designer. Technical, practical and job specific skills were identified as a key requirement by 54% of businesses. But so too were customer handling, general IT skills, team working and management and leadership skills. General business skills such as marketing, finance and supply chain management were all required in the future.

⁴⁰⁰ Fashion and Textiles Employer Survey 2008

4. Anticipating What Lies Ahead

Increasingly the Creative Industries market is a global market. Content for Computer Games, Advertising, Film, Television (especially the UK's excellent record in exporting TV formats), Animation, Literature, Fashion and Textiles Performing Arts, Music, and Publishing are all globally integrated sectors. Even Cultural Heritage is competing on a global stage with other countries with strong cultural heritage industries.

For example the Creative and Cultural industries under CCSkills footprint are expected to grow significantly over the next ten years. Employment in the industry will increase by 32% in the coming decade. This is approximately five times the rate of the UK economy in general. In the industry, there will be a need for more than 310,000 more people to enter the sector whether it is by replacing existing jobs or through natural expansion⁴⁰¹. Research undertaken by the UKCES⁴⁰² suggests that growth in the industry (55%) will be in 'associated professional and technical roles', those requiring specialist technical skills.

Meanwhile, employment in "professional" and "associated and technical roles" will increase at a faster rate than compared to the UK as a whole (26% compared to 15% respectively)⁴⁰³. This places a huge emphasis on the industry and its support mechanisms to prepare people with the right skills for these growth areas. It would seem vital, therefore, that businesses begin to invest in training in associate professional and technical roles as soon as possible.

Currently, however, organisations in the industry tend not to 'think forward' in terms of the skills issues that might affect them in the future. Nearly a third of businesses (32%) do not anticipate future skills gaps, and 11% are unable to predict what they might be, though digital and ICT skills score highest (see table 10)⁴⁰⁴.

⁴⁰¹ Creative & Cultural Skills (2011) Occupational, Skills and Productivity Forecasting. Creative & Cultural Skills

⁴⁰² UKCES (2008) Working Futures 3

⁴⁰³ Ibid

⁴⁰⁴ Creative & Cultural Skills (2009) Creative and Cultural Industries Workforce Survey

Table 10: Perceived future skills needs

| | Creative and Cultural industries |
|--------------------------------|---|
| None | 32% |
| Digital skills | 16% |
| Don't know | 11% |
| ICT skills | 10% |
| Creative expertise | 8% |
| Online skills | 8% |
| Marketing skills | 7% |
| N/A | 7% |
| Administrative skills | 3% |
| Management | 2% |
| Fundraising | 2% |
| Finance/ Accounting | 2% |
| Design skills | 2% |
| Sales skills | 2% |
| Business skills | 2% |
| Foreign language skills | 1% |
| Teaching skills | 1% |

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

Free training in certain areas (65%), funding via sector skills councils (55%), subsidies (53%) and tax breaks for essential training (47%) are the four most commonly cited kinds of support that would help employers provide more training. The same general trend is true across all the industry sectors, although free training in certain areas was of particular relevance to the cultural heritage sub sector⁴⁰⁵.

Over two thirds of organisations in the Creative and Cultural industries (69%) would support a funding system where the money went directly to companies to manage, rather than via a funding body.

Across the industry, 39% of employers state that all occupations will maintain their current importance. It is cited by 21% that ICT will become increasingly important and

⁴⁰⁵ Ibid

12% understand that marketing will become increasingly important to achieving a high level of success over the next few years⁴⁰⁶.

Individual sectors generally follow the same pattern as the overall footprint, although fundraising is forecast to be of increasing importance in the cultural heritage sub sector (19%) and creative writers are expected to be important to success in the literary arts sub sector (23%)⁴⁰⁷.

The UK's Creative Industries are likely to recover to resume at least the growth rates they enjoyed before the recession both in terms of economic performance and employment. The international competitiveness of the industry will remain steady. The financial and political constraints faced by publicly funded organisations and cultural institutions mean that occupational growth mainly occurs in the private sector until 2015; significant job cuts will be seen in the public sector. In an attempt to replace lost income, fundraising and business development occupations in the public sector will grow at an increased rate – necessitating an increase in fundraising, communication and engagement skills to match demand. From 2010, annual public sector funding will decrease until after 2015, where it levels out and begins to increase again annually, though at a slower rate of growth than private funding. Occupational growth will therefore be limited and slower in the public sector compared with the private sector post-2015⁴⁰⁸.

Government procurement and private sector investment will be increasingly focused on the green economy. Occupations and businesses in the design industry which support work on these large-scale issues will grow, with a new green bank being established for SMEs to access finance to undertake work in this area.⁴⁰⁹ Developments in digital technology will result in higher growth rates for occupations having a strongly digital element. ICT skills will also be in increasingly high demand as businesses and organisations continually integrate new technologies into their operations⁴¹⁰.

Both extremely specialised, highly skilled occupations requiring level 4 and above skills and specific technical occupations that occur at level 3 will be in high demand. While level 2 and below skills will not necessarily grow at a high rate, they are still essential to the makeup of the sector and so occupations will not decline significantly in these

⁴⁰⁶ Ibid

⁴⁰⁷ Ibid

⁴⁰⁸ HM Treasury, Budget 2010, www.hm-treasury.gov.uk/d/junebudget_complete.pdf

⁴⁰⁹ Ibid.

⁴¹⁰ BIS and DCMS (2009), Digital Britain, <http://webarchive.nationalarchives.gov.uk/20100511084737/http://www.culture.gov.uk/images/publications/digitalbritain-finalreport-jun09.pdf>

areas.⁴¹¹ The number of creative level 3 Apprenticeships being undertaken will increase both amongst young people and adults, as individuals seek to up-skill or re-skill in order to enter into specific roles within the sector. This slight shift towards vocational qualifications is also facilitated by higher education policy under which Higher Education (HE) qualifications are more expensive to the individual and are accompanied by increased uncertainty surrounding finding work after the qualification is completed.⁴¹² Internships and unpaid work experience will continue to be one of the methods by which graduates can gain entry into such a sought after sector.⁴¹³

Due to the consistent oversupply of graduates to the sector, creative occupations in non-creative sectors continue to grow. This is also in part due to increasing recognition by non-Creative and Cultural industries of the importance of creative thinking in innovation and the role it can have in driving more general economic productivity⁴¹⁴. More generic employability and workplace skills are therefore in increased demand from those in creative occupations outside the industry.

GVA contributed to the UK economy by the Creative and Cultural industries is forecast to grow by 31% between 2010 and 2020. In contrast, GVA for the UK economy is predicted to grow by only 25% over the same period. Annual GVA growth in the industry is predicted to be lower between 2010 and 2012 than in the years following this to 2020. Growth is lowest between 2012 and 2013, when it is predicted to increase by 1%, compared to between 2019 and 2020, when it is forecast to grow by 4%.

Most Creative and Cultural sectors are expected to experience at least modest growth in GVA over the period 2010 to 2020, with craft and cultural heritage the only exceptions. The greatest GVA growth between 2010 and 2020 is predicted for the performing arts, where GVA is expected to increase by approximately 74% by 2020.

Despite difficult economic conditions, employment in the Creative and Cultural industries is forecast to grow by an average of 3% per year between 2010 and 2020 and have an overall increase of 32%. In contrast, the whole UK economy is predicted to grow in employment by 6% in the same period.

⁴¹¹ UKCES, Skills for Jobs: Today and Tomorrow; The National Strategic Skills Audit for England 2010, www.ukces.org.uk/upload/pdf/NSSA_Volume%201_FINAL_BOOKMARKED_110310.pdf

⁴¹² See, for example, www.guardian.co.uk/education/2010/jul/06/graduates-face-tougher-jobs-fight

⁴¹³ New Deal of the Mind (2010), Creative Survival in Hard Times, www.artscouncil.org.uk/media/uploads/publications/Creative_Survival_NDotM_for_ACE_march_2010_FINAL.pdf

⁴¹⁴ NESTA (2008), Beyond the Creative Industries: Mapping the Creative Economy in the UK, www.nesta.org.uk/library/documents/beyond-creative-industries-report.pdf

However there is an alternative more aspirational scenario for the Creative Industries that places them at the very heart of Britain's economy. By 2020, the industry will generate more GVA than the financial services sector⁴¹⁵. The Creative Industries will be a core player in the economy driving productivity and innovation within all areas of industry.

Changes to legislation and general digital infrastructure will see the rapid growth and democratisation of content creation and online services⁴¹⁶. The music sub-sector will experience growth from increased legal protection, allowing independent hobbyist labels to achieve modest growth. Alongside this, content creation for cultural heritage, certain areas of design and the digitalisation of literature will all create occupational growth in their individual sectors⁴¹⁷.

The implementation of infrastructure enabling wide-scale access to super-fast broadband will open the online market to those currently barred due to inadequate internet speeds; it will also increase the feasibility of relocation for creative businesses to regional bases outside of London in order to lower operating costs. The spread of occupational growth will therefore be wider, although creative clusters of high occupational density will remain centred on current hotspots; including London, Manchester, Edinburgh and the East of England.⁴¹⁸

Despite increasingly open international markets, the UK is able to maintain its current competitive advantage through high levels of innovation, as well as the continuing cultural pervasiveness of the English language. The requirement for quality services and products prevents outsourcing of creative work outside the UK, allowing the UK to be the leading cultural centre in the world.⁴¹⁹

Despite a continuing decrease in spending by the public sector on the arts, income is supplemented by private philanthropy. This occurs both at individual and organisational

⁴¹⁵ The Work Foundation, Innovation, Creativity and Entrepreneurship in 2020: A Work Foundation Statement, www.theworkfoundation.com/assets/docs/publications/241_pre_budget2010a.pdf

⁴¹⁶ BIS and DCMS (2009), Digital Britain, <http://webarchive.nationalarchives.gov.uk/20100511084737/http://www.culture.gov.uk/images/publications/digitalbritain-finalreport-jun09.pdf>

⁴¹⁷ The Economist, The Future of Books, http://globaltechforum.eiu.com/index.asp?layout=rich_story&channelid=5&categoryid=15&doc_id=10370

⁴¹⁸ NESTA (2009), The Geography of Creativity, www.nesta.org.uk/library/documents/Report%2027%20-%20Geography%20of%20Creativity%20v4.pdf

⁴¹⁹ UKCES, Praxis: Skills are not enough: The globalisation of knowledge and the future UK economy, www.ukces.org.uk/upload/pdf/PRAXIS%20Edition%204%20WEB%20READY_1.pdf

level, leading to improved links between creative businesses and organisations in other sectors⁴²⁰. Public sector organisations thus become less bureaucratic and target-led, instead being able to innovate and lead on large projects within the sector⁴²¹.

The ability of the Creative and Cultural industries to help tackle large societal and environmental problems is increasingly recognised. The design industry, alongside science, technology, engineering and mathematics becomes crucial to supporting the huge occupational surge towards the low carbon and green economy. The Creative Industries are seen as having a large and fundamental part to play in this shift.⁴²²

Entry to occupations in the sector will start to come from a wider pool of talent. Regulations on the payment of interns and the amount of unpaid labour that firms are allowed to use will begin to come into effect, allowing people from different social groups to gain valuable work experience that may otherwise have been closed to them.⁴²³ While higher education qualifications at level 4 or above will remain the dominant route into the sector, the main shift will be towards vocational qualifications, manifested in Apprenticeships. This change will allow for skills shortages in occupations relating to technical theatre, backstage and offstage to be satisfied. Employers will increasingly employ people on the basis of having the correct skills rather than a certain qualification.

Finally, creativity is seen as commanding such a premium that creative occupations in non-creative industries grows rapidly, with the constant supply of highly educated graduates able to make an impact on other sectors, leading to broader economic productivity and growth.

In the aspirational scenario, within the industries under CCSkills footprint, total annual employment demand is forecast to increase from approximately 288,000 in 2011 to 527,000 in 2020. This is the total number of individuals required to replace those who have left their job in a year (replacement) plus any sector growth in overall employment (expansion). The number of people required to satisfy replacement demand is

⁴²⁰ Conservative Party (2010), The Future of the Arts with a Conservative Government, www.vaga.co.uk/images/stories/file/future-of-the-arts_ashx.pdf

⁴²¹ Ibid.

⁴²² The Work Foundation (June 2010), A 2020 Low Carbon Economy, www.theworkfoundation.com/Assets/Docs/lowcarbonFINAL_CORRECTED.pdf

⁴²³ Skillset, Code of Practice for Graduate Internships in the Creative Industries, www.skillset.org/uploads/pdf/asset_14315.pdf?1 and See, <http://internsanonymous.co.uk/resources/>

predicted to increase steadily in future years.

Creative Industries and the Current VET System

If the Creative Industries 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 by a strong 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 particular⁴²⁴, 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 apply 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.⁴²⁵

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.

4.1 A Necessary Broadening and Deepening of the Skills Base

Across all Creative 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 change to the public spending environment is also putting a premium on fundraising

⁴²⁴ Skillset (2009) Employment Census, Skillset/UK Film Council (2008) Feature Film Production Workforce Survey 2008, LFS July 2009 – June 2010.

⁴²⁵ See K. Oakley (2009) '*Art Works*' – *cultural labour markets: a literature review*' Creativity, Culture and Education Series

skills in some sub sectors of Creative Industries. The following are of particular importance:⁴²⁶

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

Multiplatform skills (relevant to some digital sectors of the Creative Industries): the creative and technical skills to produce content for distribution across all potential platforms, and the ability to understand and exploit technological advances. Recent research confirms that creative businesses are having to invest heavily in in-house R&D and new software and hardware, which in turn means that a significant and growing proportion of their staff are focused on activities that require high levels of technology rated skills.⁴²⁷

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

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

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

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

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

⁴²⁶ Skillset (2010) Creative Media Employer Survey; Skillset (2008) Creative Industries Workforce Survey; Skillset/UK Film Council (2009) Feature Film Production Workforce Survey; Evidence from Focus Groups carried out with industry representatives in October 2010.

⁴²⁷ Chapain, C et al (2010.32) '*Creative clusters and innovation: putting creativity on the map*' NESTA

Diagonal thinking skills: 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.

Supply chain management: managing disaggregated production processes across continents

Foreign language skills: as part of operating in a global marketplace

Other Business Skills: These include Human Resources competency, financial management and project management

Fundraising skills: These are particularly in demand for Performing Arts, Visual Arts and Cultural Heritage.

Creative skills: These include skills such as story-writing, music composition, etc and are often in demand for Film, Literature, Performing Arts, Music and Cultural Heritage sub sectors.

Appropriate “associate professional and technical roles: the sector is highly qualified, but has skills shortages and gaps in specialist roles. Much of the training that occurs does so to re-skill individuals entering the sector, which is then very ad hoc and informal and resource heavy for small businesses.

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

5. The Geography of the Creative Industries

Sector Employment across the UK

Both Skillset and CCSkills have produced detailed SSAs for each nation and these should be examined to understand the sub sector granularities around the geography of the Creative Industries.

On the whole London and the South East dominate the Creative Industries. These two regions have the greatest concentrations of Creative Industry employment and businesses accounting for around 30% or more of the sector total.

Creative Industries, like other sectors such as Finance and some types of high tech manufacturing, enjoy the benefits of clustering. There is a rich literature on why clustering occurs and why it is beneficial to businesses. Suffice to say clustering is usually endogenous and occurs due to the congruence of a number of different factors including natural resources (the light to be found in California for example that helped establish Hollywood as a centre of film-making); links to customer base; concentration of talent and proximity to research establishments; good transport by air, road and rail; ease of face-to-face contact and strong network externalities. The fact that clusters tend to be endogenous constructs creates a problem for policy-makers wishing to stimulate industrial growth in particular parts of the country. Indeed Creative Industries is very much part of the new North-South divide of the knowledge economy whereby north of the Watford Gap there really is no private sector knowledge economy to speak of.⁴²⁸

There are however considerable differences between sub-sectors in geographical distribution: for example, because of the prominence of regional and local radio within both the BBC and the commercial sector, and the growth of Community Radio, Radio is distributed more evenly throughout the UK than many sectors.⁴²⁹ Conversely, sectors such as Independent Production for Television, Film Production, Commercials and Corporate Production all remain very London-centric.⁴³⁰ Fashion and Textiles have major concentrations of employment away from London and the South East in the East Midlands, North West and Yorkshire and Humber for example. Indeed unlike other

⁴²⁸ Clayton, N (2008) *Enterprise Priorities to Enterprise Powerhouses: The Public Sector in the Knowledge Economy* The Work Foundation, London

⁴²⁹ Skillset (2009) *Current and Future Skill Needs in the UK Television and Radio Industry*

⁴³⁰ Skillset (2009) *Employment Census*

parts of the Creative Industries the London and South East bias is not in evidence for Fashion and Textiles.

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.⁴³¹

In recent years, there have been some major endeavours and interventions to redistribute some sectors more evenly throughout the UK. This is illustrated most clearly in the relocation of large segments of the BBC's workforce, mainly from London, to Salford Quays in the North West of England and a corresponding decrease in West London from 16% to 13%, which is reflected in Skillset's 2009 Employment Census.

⁴³¹ Creative clusters and innovation: Putting creativity on the map, NESTA, November 2010

Annex A: Methodology Section

For the variety of methodologies used in preparing this Creative Industries cluster report please refer to the individual SSAs provided by Skillset, CCSkills and e-Skills as appropriate.

Combined footprint analysis for Skillset and CCSkills of the Labour Force Survey (LFS) and National Employer Skills Survey (NESS)

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

Limited representation of the industry

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

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

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

Fashion and textiles

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

Creative and cultural

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

Annex B: Creative Industries and Gaps in Official Data Sources

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

- Key elements of the Creative Industries sit in broad classifications that include activity outside of Creative Industries 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 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 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 many 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.

Both the SIC and SOC systems are hierarchical. Within the 2007 SIC system there are 21 sections, 88 divisions, 272 groups, 615 classes and 191 subclasses. While the new system does allow for much easier identification of certain industries, such as sound

recording in the Music sub-sector, unfortunately it is still not sufficiently detailed to pinpoint the specific activities, the only Craft activity covered is Jewellery, for example, however, the UK's Craft sector clearly encompasses more activity than this.

So in some cases, the SIC and SOC systems simply do not provide the level of detail required, in other cases, whilst the system itself provides the level of detail required, government data is not released in such a way to allow that activity to be analysed. Coupled to this policy of non-disclosure, the Office of National Statistics (ONS) is also keenly aware that the size of the surveys that underpin key data sources (APS and ABI) are in fact too small to offer robust detailed analysis of smaller sub-sectors. As far as business activity goes, the line is drawn at 4-digit SIC. In other words, no ONS data from the sources most organisations can call upon is available at 5-digit SIC level.

The only way to resolve this issue (in the absence of information at 5-digit level) is to use other data sources to split the activity out into its constituent 5-digit elements, and through primary research. The government's register of business activity (the Inter-Departmental Business Register – which contains information on 2.7m businesses that are either registered for VAT, PAYE or at Companies House) is not generally available (especially at the level of individual firms) but would be an ideal source. Each listed business site has a 5-digit SIC and an analysis of it would therefore derive robust 'coefficients' for splitting firms and employment data at 4-digit level into constituent 5-digit SICs. The new system has fewer sub classes which means the problem of accessing the 5-digit SIC does not occur as often, but there are still some that exist.

Annex C: Research strategies developed by CCSkills and Skillset

Creative & Cultural Skills

Creative & Cultural Skills has developed a series of coefficients to denote the creative proportion of a SIC or SOC. These coefficients are then used to identify employment and business numbers within the creative and cultural industries. An example of the use of such coefficients are described in table x, below. All coefficients are derived through examining the business activity description of each business within each SIC code using TCR data⁴³². Employment estimates are then calculated by applying each coefficient to the relevant SICs employment. After this step has been carried out, the proportioned employment of each SOC in Creative & Cultural Skills' definition is then removed from each SIC in order to avoid double counting.

Table 1: Example from the creative and cultural footprint

| Sub-Sector | Segment | Sub-Segment | SIC | Firm Coefficient | Emp Coefficient |
|--------------|--|--------------------------------|--|--|-----------------|
| Music | Composition of Musical Works & Music Publishing | Publishing of Sound Recordings | 5920: Sound recording and music publishing activities | 33.90% | 57.10% |
| | Live Performance | Venues | 7990: Other reservation service and related activities | 3.10% | 2.10% |
| | | | 9001: Performing arts | 0.50% | 1.50% |
| | | | 9004: Operation of arts facilities | 77.60% | 73.10% |
| | Musical Education | Musical Education | 8552: Cultural education | 15.70% | 27.30% |
| | Production, Retail & Distribution of Musical Instruments / Audio Equipment | Musical Instrument Manufacture | 3220: Manufacture of musical instruments | 100.00% | 100.00% |
| | | | 9529: Repair of other personal and household goods | 86.30% | 79.30% |
| | | Retail Audio Equipment | | 4743: Retail sale of audio and video equipment in specialised stores | 83.00% |

⁴³² Trends Central Resource

| | | | | | |
|---|---|--|---|--------|--------|
| | | | 4759: Retail sale of furniture, lighting equipment and other household articles in specialised stores | 0.00% | 0.10% |
| | Retail Musical Instruments | | 4759: Retail sale of furniture, lighting equipment and other household articles in specialised stores | 6.90% | 5.10% |
| | TV radio HiFi etc eqt manufacture | | 2640: Manufacture of consumer electronics | 93.00% | 89.40% |
| | Wholesale Audio Equipment | | 4643: Wholesale of electrical household appliances | 8.90% | 16.70% |
| | Wholesale Musical Instrument | | 4649: Wholesale of other household goods | 0.45% | 1.70% |
| Promotion, Management & Agency Related Activities | Promotion, Management & Agency Related Activities | | 8299: Other business support service activities n.e.c. | 0.10% | 0.20% |
| Recording | Recording Media Mfr | | 2680: Manufacture of magnetic and optical media | 98.00% | 97.30% |
| | Recording Studios | | 5912: Motion picture, video and television programme post-production activities | 17.50% | 49.00% |
| | | | 5920: Sound recording and music publishing activities | 43.50% | 29.70% |
| | Sound Recording | | 1820: Reproduction of recorded media | 95.30% | 88.80% |
| | | | 5920: Sound recording and music publishing activities | 9.10% | 4.40% |
| Retail & Distribution of Recordings | Retail of Recorded Music | | 4763: Retail sale of music and video recordings in specialised stores | 87.30% | 91.00% |
| | Wholesale of Recorded Music | | 4643: Wholesale of electrical household appliances | 1.70% | 6.00% |

By taking this approach, it is possible to analyse parts of the creative industries which have so far been neglected, table x below shows how craft data can be collected from

a variety of different SIC codes (in this example crafts associated with pottery and ceramics are highlighted).

Table 2: Example from the craft footprint

| Segment | SIC | Firm Coefficient | Emp Coefficient |
|-------------------------------|--|------------------|-----------------|
| Pottery & Ceramics | 2331: Manufacture of ceramic tiles and flags | 6.90% | 0.90% |
| | 2341: Manufacture of ceramic household and ornamental articles | 73.70% | 31.70% |
| | 9003: Artistic creation | 0.50% | 0.10% |

Skillset

Skillset’s current research programme⁴³³ dedicated to the Creative Media industries originated in 1999 under the leadership of the DCMS/Skillset Audio Visual Training Group⁴³⁴. The group acknowledged a gap in available labour market data for the Creative Media industries and charged Skillset with filling that gap with the introduction of a primary research programme. The report of this group was published in 2001 and included the first Research Strategy for Skillset. Since then the scope of the research programme has expanded to include the photo imaging sector (in 2004) and the publishing sector (in 2008) and primary research has been conducted by Skillset on these sectors since according to need. From April 2010 Skillset’s remit has expanded to include fashion, textiles and advertising and are accommodated in year three of this Strategy.

The Skillset research programme was set up by the industry with relevant Government departments to routinely and systematically generate the evidence needed to address the Creative Media industry’s skills issues. It is delivered by a fully proficient and qualified in house research team and for the past eleven years has been continuously developed and improved to provide both Skillset and industry in the four UK nations

⁴³³ 2011 Skillset Research Strategy for the Creative Media Industry 2008-2011

⁴³⁴ The group comprised creative media industry employers, trade associations and trade unions, Skillset staff and Government departments including the Department for Trade and Industry, the Department for Culture Media and Sport and the Department for Education and Skills.

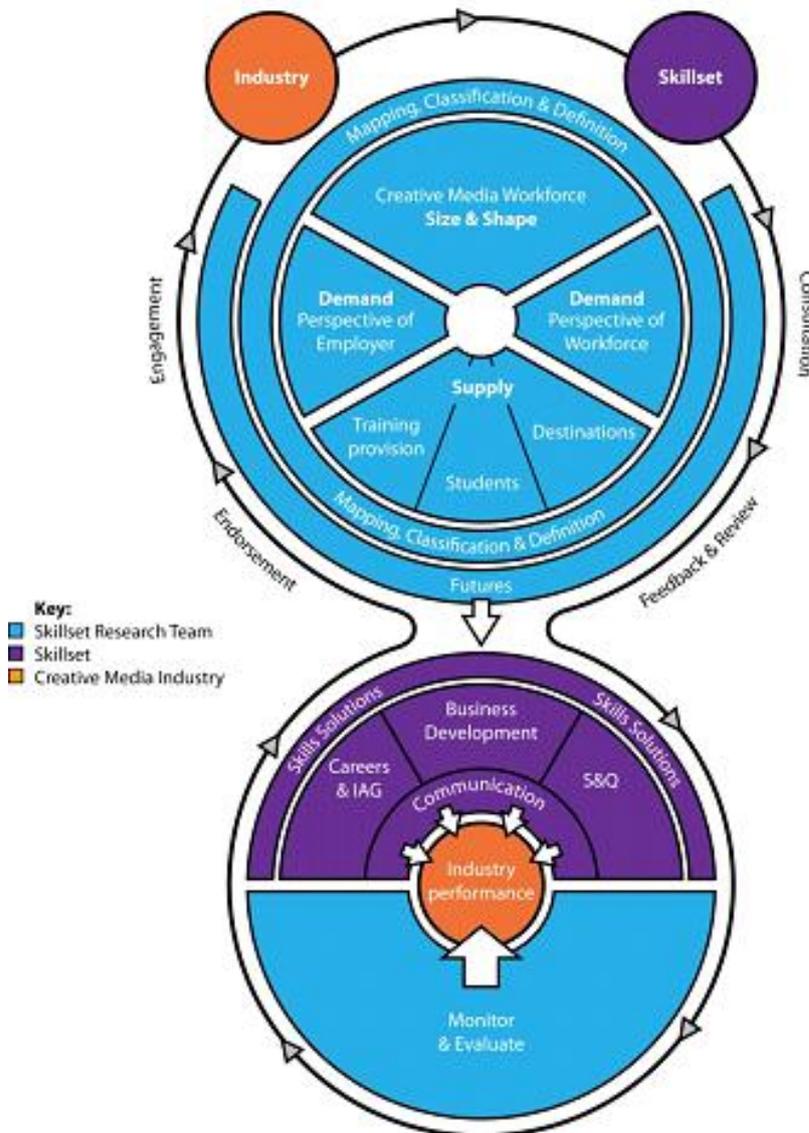
with the Labour Market Intelligence (LMI) required to target resource to where it's needed

Where data are not available within official sources components are operationalised through primary research with technically robust, fit for purpose and transparent methodologies.

All primary research retains consistency and comparability with data generated externally (by the ONS for example) to enable transparency, clarity and comparisons with the wider economy in the UK and cross-nationally, but with the added value of including all Creative sectors and presenting data and analysis for discrete Creative sectors, occupations and employees and freelancers.

This bank of intelligence, as well as the design of methodologies, is informed wherever possible by data and information generated externally by other organisations including the Broadcast Training and Skills Regulator (BTSR) and trade publications including Broadcast for example, the process of which is shown in figure 4, below.

Figure 2: Skillset research cycle⁴³⁵



⁴³⁵ Ibid

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