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London East
2003-2005

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# Workforce Development Strategy
# Cultural and Creative Industries

Learning+Skills Council
London East

# Our main partners and stakeholders

We, the Learning and Skills Council London East, fund training and education for those over age 16 in Barking and Dagenham, Bexley, City of London, Greenwich, Hackney, Havering, Lewisham, Newham, Redbridge and Tower Hamlets.

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Readers please note:

- in this publication where 'we' is used, it refers to the Learning and Skills Council London East
- we have used footnotes in this publication, shown as small numbers in the text, to acknowledge our sources of information, and the research done by other organisations, and
- we have also included a glossary to describe some of the more technical terms used in this publication. This is on page 20.

- African Caribbean Development Forum
- Basic Skills Agency
- Business Link for London
- Connexions
- Creative Enterprise Network
- Cultural Strategy Group
- Cultural Partners for London
- Commission on the Creative Industries
- Education Business Partnerships
- Further education colleges
- Higher education institutions
- Information, Advice and Guidance partnerships (IAGs)
- Jobcentre Plus
- Local authorities
- London Development Agency
- Metier
- Private-sector employers
- Regeneration partnerships
- Skillset SSC
- Thames Gateway Creative Skills Partnership
- Thames Gateway London Partnership
- Trade unions
- Work-based learning providers
- Voluntary-sector employers

- Access To Music
- Art of Regeneration
- Artec
- Arts in Perpetuity Trust – Deptford
- Arts Council of England
- Arts in the Learning City
- Bankside Arts Training Trust
- Centreprise
- Chisenhale Dance Space
- Chocolate Factory
- Circus Space
- City Fringe
- Cockpit Arts
- Community Music
- Cultural Industries Development Agency – Tower Hamlets
- Digital Arts Centre
- East London Dance
- Eastside
- Free Form Arts Trust
- Geffrye Museum
- Greenwich and Lewisham Young People's Theatre
- Greenwich Dance Agency
- Half Moon Young People's Theatre
- Heart & Soul
- Mazorca
- Metro New Media
- Midi Music Company
- HOMER
- Hoxton Bibliotech
- Irie!
- Laban Centre
- Lewisham Academy of Music
- Live Art Development Agency
- London Education Arts Partnership
- London Film and Video Development Agency
- London Symphony Orchestra
- Mondial Project
- Ocean Music Venue
- Outset Centre
- Overtones
- Prevista
- Queens Theatre
- Rich Mix Centre
- Second Wave
- Shape-London
- Showhow
- Skills Observatory Project
- Skillswork
- Space Studios
- Stratford Circus
- The Lux
- Theatre Royal Stratford East
- Three Mills Studios
- Whitechapel Art Gallery
- Women's Radio Group

# Contents

# Foreword

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Mary Conneely
Executive Director

We are in the middle of an exciting period of change. London East's 2 million residents have seen many changes in the last 10 years. The new developments announced for the Thames Gateway show that there will be further investment and increased opportunities during the next 10 years.

In every sector there is potential for growth. The proposal for major housing development in the Thames Gateway by the Deputy Prime Minister, in February 2003, is a boost for the construction industry. The Strategic Rail Authority and Transport for London have ambitious plans to develop the transport infrastructure. Health and social care, and financial services have their own challenges to meet as legislative changes place new demands on the workforce. The cultural and creative industries are thriving, and the retail sector can continue to grow with future town-centre redevelopments planned.

Our task, with you, our partners, is to make sure that London East is ready to meet these challenges with a highly skilled workforce. The consultation paper, *Success for All*[1], in June 2002 set out the role of learning providers. It stated that "learning in an area must meet national and local skill needs… and be responsive to local employers and communities." This view was reinforced in the formal publication of *Success for All* which set out the joint plans of the DfES and the Learning and Skills Council, in November 2002, to reform the learning and skills sector and raise standards.

This series of workforce development strategies explains the issues affecting each industrial sector. Each strategy then suggests some realistic action to support the skills development of local people. The aims are to meet employers' needs, and to give individuals positive learning and employment experiences.

By delivering the actions in these 10 sector strategies, we will be helping to:

- fulfil our corporate objectives which we outlined in the Local Strategic Plan 2002-2005
- meet the requirements of the Learning and Skills Council's *National Policy Framework* for workforce development
- support the objectives outlined in London's *Framework for Regional Employment and Skills Action (FRESA)* published by the London Skills Commission, and
- meet the aims of the Skills Strategy White Paper (2003).

We hope that all partners and stakeholders in the various sectors will help deliver the plans presented in these very positive strategy documents. This will enable local people to improve their skills and make the most of the new opportunities being created in the Thames Gateway area.

# Introduction

Workforce Development Strategies for London East



## The Learning and Skills Council is responsible for funding and planning education and training for those over 16 years old in England[2].

Workforce development is one of the most challenging and exciting parts of our work, and in November 2002, the national office published its *Workforce Development Strategy – National Policy Framework to 2005*.

The *National Policy Framework* was published at the same time as the Government report, *In Demand: Adult Skills in the 21st century – part 2,* produced by the Strategy Unit. These two documents suggested action that would promote workforce development. They state that we should:

- "raise informed demand for employment-related skills among individuals and employers
- support improvements to the responsiveness and flexibility of the supply side, and
- contribute to the development of an underpinning framework of better skills and labour market intelligence, responsive vocational qualifications and improved links to the wider educational agenda".

Each sector strategy has an action plan which shows how we, at LSC London East, will take practical steps to meet those three objectives. By carrying out the action proposed for each sector, with you, our partners, we will directly contribute to delivering the LSC's goals, which are to:

- "raise the participation and achievement of young people
- increase the demand for learning and equalise opportunities through better access to learning
- engage employers in improving skills for employability and competitiveness
- raise the quality of education and training delivery
- improve effectiveness and efficiency".

This workforce development strategy for the cultural and creative industries is one of ten sector-based strategies. Each one describes the current issues in the sector nationally and locally. They give details of the current levels of employment and skills in the sector, and suggest where improvements in skills are necessary to meet the needs of the local and national economy.

The action plan for each sector gives details of the funding opportunities that are being made available to help individuals and organisations fulfil their potential.

[1] DfES, *Success for All – Reforming Further Education and Training,* Discussion Document, June 2002;
DfES, *Success for All – Reforming Further Education and Training – Our Vision for the Future*, November 2002.
[2] This does not include higher education provision.

The cultural and creative industries sector is the most complicated of the sectors to describe because it covers a very wide range of activities. The Department of Culture, Media and Sport has attempted through its various publications to define it, and uses the following subsectors.

Advertising, architecture, art, crafts, design, designer fashion, film and video, music and the visual and performing arts, publishing, software (including interactive leisure – games, and computer services), and radio and television.

Recent studies commissioned by the Mayor's Office suggest that the income created by London's cultural and creative industries was £21 billion in 2000[3]. London East has shared in the expansion of the sector. It is a complicated network of subsectors and the growth of the industry has taken place in clusters.

London East has developed its own clusters, particularly in the City Fringe area. Recent developments in the Hoxton and Shoreditch area in art and media are becoming more important. Tower Hamlets is a major player in publishing, while some outer London boroughs such as Redbridge and Havering have their own creative work particularly in multi-media products.

The sector has a very varied series of working arrangements. There are multi-national companies at one end of the spectrum and numerous freelancers and microbusinesses at the other end. It also includes many people who have a 'day job' in one industry, but join the cultural and creative industries in their spare time, making videos, acting or playing music.

In 2001, in London East, there were 4,400 businesses covering four industry sectors. The audio-visual businesses, which include multi-media, dominated with nearly 3,000 separate business units, mostly small or microbusinesses. Publishing was the biggest employer with 43% of the employees.

The success of the audio-visual sector is a result of its ability to use new technology, and to sell the products containing high creative content far beyond London. Sending information digitally has revolutionised music production, and publishing and design.

Public agencies have noted the economic strength of the sector, its ability to work to regenerate areas, and to involve individuals in communities in creative and socially-valuable activities.

Many in the sector have creative talent, and are well qualified in their field, but they may need to add to their range of skills. Extra skills needed include marketing, distribution, legal knowledge (intellectual copyright), fundraising and managing projects.

Both the cultural and the creative industries have large numbers of highly-qualified people. However, in spite of high levels of qualification in the cultural and creative industries, there are groups of employees and potential employees who have not had their skills accredited. We need to find ways of harnessing that area of supply.

The most immediate barriers in providing further training for employees, and for those who want to bring their unaccredited skills into the mainstream, are time and money. Small businesses often see staff training as a cost and not an investment. Releasing employees from work for training is expensive and not common practice.

There is sometimes a lack of relevance to the industry in the curriculum offered by learning providers, and this may put off some potential learners. We need to create stronger links between practitioners and learning providers to make sure that courses are relevant.

The sector needs to improve access, and participation, because the barriers to entering courses and employment are high. The present employment structure of the industry does not match the different cultural backgrounds of the community where it is based. Moreover, we need to encourage mainstream cultural and creative industries to continually recognise and support community-based and new enterprises as they will contribute to the future supply of skills.

The action we have supported so far has been concerned with sustainability in the sector, and giving access to young people to learn skills, such as the practical side of producing music.

Proposed action includes extending partnership working, and using the results of an industry-focused mapping exercise carried out at the beginning of 2003. We need to develop industry-based accreditation, and to build capacity in the sector to improve the opportunities for learning. Finally, we need to support some employees in the sector to improve their basic skills so that they can make best use of their creative talents.

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[3] *Creativity, London's Core Business*, 2002

# Chapter 1
# The main features of the sector

## The cultural and creative industries have become extremely important to the UK economy, and London has played a major part in this. Recent studies commissioned by the Mayor's Office suggest that the income generated by London's cultural and creative industries was £21 billion in 2000[4].

London East has shared in the expansion of the sector. It is a complicated network of subsectors and the growth of the industry has taken place in cluster developments. Some of these are in central and west London, particularly the television, video and film industries. London East has developed its own clusters, particularly in the City Fringe area. Recent developments in Hoxton and Shoreditch in art and media are becoming more important. Tower Hamlets is a major player in publishing, while some outer London boroughs such as Redbridge and Havering have their own creative work, particularly in multi-media products.

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The cultural and creative industries sector is the most complicated of the sectors to describe because it covers a very wide range of activities. The Department of Culture, Media and Sport has attempted, through its various publications, to define it. It has aimed to map it against the standard industrial and occupation classification systems normally used for calculating the size of the workforce. It uses the following subsectors.

Advertising, architecture, art, crafts, design, designer fashion, film and video, music and the visual and performing arts, publishing, software (including interactive leisure – games, and computer services), and radio and television.

The sector has a very varied series of working arrangements. There are multi-national companies at one end of the spectrum and numerous freelancers and microbusinesses at the other end. It also includes many people who have a '*day job*' in one industry, but join the cultural and creative industries in their spare time, making videos, acting or playing music.

There are three parts to the sector:

- the mainstream which includes registered companies in the private sector
- community-based organisations which depend on voluntary support, and work at a local level, and
- the '*underground*' which is made up of unregistered organisations, producing work either from home or very small business units, or community spaces.

In recent years people have begun to appreciate the value of cultural and creative industries to the London economy. It has the ability to produce high-quality, high value-added products that are in demand because of the growth in the worldwide leisure industry. The nature of the sector also provides an opportunity for it to help encourage social inclusion. The wide range of organisational types and the many outlets available give an opportunity for those who may not have achieved during the time they spent in traditional education settings. Black and ethnic minority communities have made a major contribution to the cultural and creative industries in London East. The Mayor has also recently published a London-wide study: *Play it right: Asian Creative Industries in London*. This analyses the contribution of the Asian community to the sector.

The cultural and creative industries are being championed and researched by various groups in London, particularly through the Mayor's office. "The LDA has already progressed plans to establish the Creative Industries Commission which aims to stimulate and sustain creative enterprises operating in the London regeneration environment." On 4 February 2003, the Mayor issued the consultation version of his 10-year plan "to develop London as a centre of cultural excellence and creativity." *London: Cultural Capital* is claimed to be "… the first co-ordinated strategic approach to arts, sport, heritage and creative industries in London and constitutes the Mayor's draft Culture Strategy."

The Mayor was helped in producing the strategy by the Cultural Strategy Group. He hopes to set up a London cultural consortium with this group and Cultural Partners for London – a partnership of cultural agencies.

More locally, the Thames Gateway London Partnership is committed to developing cultural and creative industries as part of the regeneration strategy for London East. Meanwhile, the Thames Gateway Creative Skills Partnership has been carrying out a mapping exercise to help in planning for the sector.

The cultural and creative industries are very important to London East because they are the fastest-growing part of the London economy. They are also employing increasing numbers of people. They are in the forefront of the new knowledge economy, and major generators of overseas income. The cultural and creative industries also have a vital role in delivering policies related to social inclusion in the London East area. Through the different organisational types, they can include people from all communities, and can give them an opportunity to succeed.

[4] *Creativity, London's Core Business*, 2002

## The size of the industry

The Department of Culture, Media and Sport suggests that the "creative industries accounted for 7.9% of GDP in 2000". They also grew by 9% a year in the period between 1997 and 2001 compared with a figure of 2.8% a year for the whole economy[5]. It claims that in December 2001, creative employment accounted for 1.95 million jobs nationally with 1.15 million jobs in creative industries, and a further estimated 800,000 jobs in companies outside the creative industries.

The main sectors in terms of the number of employers were:

- software and electronic publishing, and
- music and the visual and performing arts.

In terms of their value to the economy, the four creative industries that contribute three-quarters of the sector's economic value are:

- design
- software
- publishing, and
- advertising.

It is important to give the national picture because London has the highest regional share of creative industries' activity in the UK with around 33% of the UK creative industries workforce in London – not including tourism[6].

London Arts' statistics suggested that the following are based in London.

- 70% of the UK's film and television production companies
- 46% of the UK's advertising industry
- 85% of the fashion industry
- 27% of architects

And, the London music industry earns £1.8 billion a year[7].

The recent GLA study[8] suggested the number of jobs in London's creative industries (including creative-related industries and creative occupations in other industries) was about 525,000 in 2000. It says that this was the second biggest source of jobs growth during the five years to 2000 – double the London average.

*table 1*

Creative industries business units, London East, 2001

| | | Total number of business units |
|---|---|---|
| Audio-visual | Reproduction of sound recordings<br>Reproduction of video recordings<br>Reproduction of computer media<br>Other computer-related activities<br>Motion picture and video production<br>Motion picture and video distribution<br>Radio and television activities | |
| **Audio-visual – total** | | **2,900** |
| Print and communication and photo imaging | | 1,000 |
| Publishing | Book publishing<br>Newspaper publishing<br>Journal and periodical publishing<br>Other publishing | |
| **Publishing – total** | | **400** |
| **Total – all subsectors** | | **4,400*** |

Source: Annual Business Inquiry 2001, ONS Crown copyright (2003)

We analysed employer and employee numbers in the area covered by LSC London East. We used similar SIC codes[9] to those adopted by the Skills Dialogue[10]. This did not include music and performing arts which many researchers have found difficult to measure in analysing nationally collected statistics. The GLA study[11] suggested, on a London-wide basis, there were 44,500 jobs. However, they then added in those with second jobs in the sector to arrive at a sectoral total of 55,600.

The following tables and figures give a picture of employment in the creative industries in our area in 2001. There were 4,400 business establishments covering four industry sectors. The audio-visual businesses, which include multi-media, dominated with nearly 3,000 separate business units. However, many of these were small or microbusinesses, and when we analyse the number of employees by sector, it shows that publishing is the biggest employer with 43% of the employees. Further analysis of the size of business units in London East explains this statistic. The publishing subsector has 13 of the 17 employers that have over 200 employees.

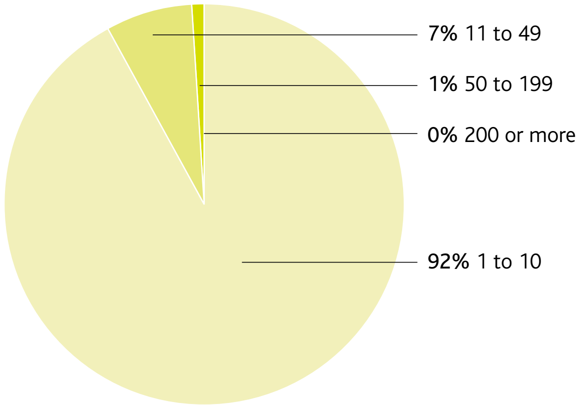
In the creative industries as a whole, out of the 4,400 business units almost 4,000 employed fewer than 11 people, and a further 300 employed between 11 and 49 people. The audio-visual subsector had 2,800 employers with fewer than 11 employees. This statistical evidence confirms much of what we had known about the sector, that is, it is heavily populated by very small businesses developing quite sophisticated products. These statistics do not go far enough, because they do not give information about:

- the freelancers who are subcontracted by the industry, or
- the volunteer and unpaid element that we can find, particularly in the area of music production.

*figure 1*

Creative industries

Percentages of employers by size, London East, 2001

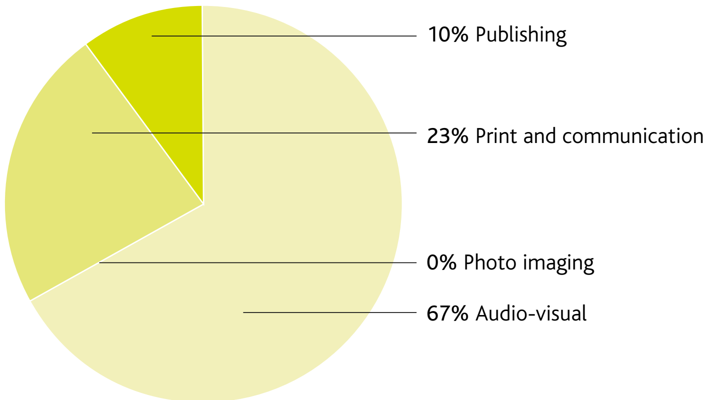



Source: Annual Business Inquiry 2001, ONS Crown copyright (2003)

*figure 2*

Creative industries

Percentages of employers by subsector, London East, 2001

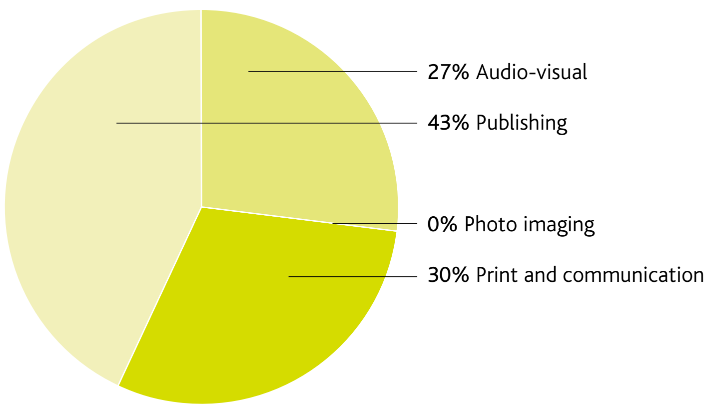



Source: Annual Business Inquiry 2001, ONS Crown copyright (2003)

*figure 3*

Creative industries

Percentages of employees by subsector, London East, 2001




Source: Annual Business Inquiry 2001, ONS Crown copyright (2003)

[5] DCMS, *Creativity Industries Fact File*, 2002

[6] *Creative Skills* – LSFU 2000

[7] *The Case for London* – London Arts, 2000

[8] *Creativity: London's Core Business*, 2002

[9] Standard Industrial Classification

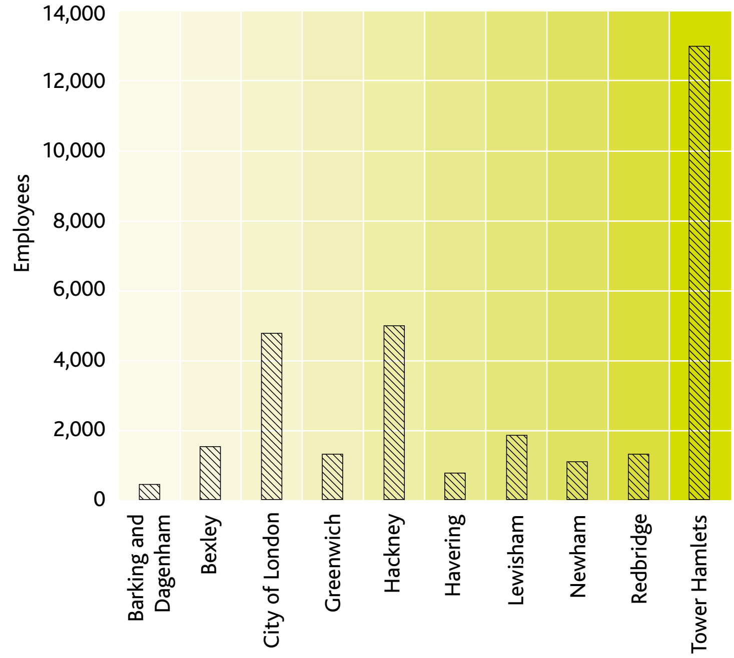
[10] DfES, *An Assessment of Skill Needs in the Media and Creative Industries*, 2002

[11] *Creativity: London's Core Business*, 2002

*Figure 4* (right) shows the employees by borough. Printing and publishing is a major contributor to the employee numbers in Tower Hamlets. However, there is also a strong showing by computing, and radio and television activities. In the City of London and Hackney the main employment subsectors are computer-related activities and radio and television production. Lewisham's employment is largely in publishing and print, with some computer-related activities.

The main focus of this strategy is the creative industries. The music and performing arts and other cultural industries are more difficult to track through national statistics. The estimates of subsectoral numbers for the whole of London across the DCMS industry definitions are shown as *table 2* and were taken by the GLA from the *Annual Business Inquiry and Labour Force Survey* for 2000.

*figure 4*
Creative industries
Employees by borough, London East, 2001




Source: Annual Business Inquiry 2001, ONS Crown copyright (2003)

*table 2*
Total jobs in (cultural and) creative industries, London, 2000
(Data taken from Creativity: London's Core Business – GLA)

| | |
|---|---|
| Advertising | 51,700 |
| Architecture | 60,500 |
| Arts/antique sales | 2,700 |
| Computer games, software, electronic publishing | 117,800 |
| Crafts | 10,200 |
| Design | 10,400 |
| Fashion | 60,000 |
| Music and the visual and performing arts | 55,500 |
| Publishing | 89,500 |
| Radio and television | 35,700 |
| Video, film and photography | 31,400 |
| **Total** | **525,400** |

# Chapter 2
# The evolution of the cultural and creative industries in London East

## The economy

The cultural and creative industries need a thriving economy to develop, but also have the ability to make their own contribution to the nation's wealth. In some ways the creative industries are the new manufacturing industries of the 21st century.

- They produce products of their own – software games, sound and video programmes.
- They are helping to support other industries, for example, the advertising subsector providing a service to financial services.
- They provide a creative element within other industries – fashion design is often a high-value-added part of clothes manufacture.

London East's creative industries perform all three activities. In recent years they have performed them very successfully, generating significant income by selling their products, and their knowledge. They are producing goods that are demanded by a public that wants to spend a greater percentage of its income on leisure products.

## Developing clusters

In spite of London being a relatively high-cost area, the value of working together has encouraged companies, particularly in the audio-visual area, to cluster around the City and Hackney. And, as rents have increased, companies have spread out into Tower Hamlets. There have been some cluster developments in London East's outer London boroughs. These clusters have developed wide-ranging informal networks, but they demand flexibility and mobility from a workforce that is often contracted on a freelance basis.

## Technology

One of the important factors driving the success of the audio-visual subsector has been its ability to harness new technology, and to sell its products containing high creative content far beyond London. Fashion designs may originate in London, but the manufacture may be several hundred, or even several thousand, miles away.

Sending information digitally has revolutionised both music production and publishing and design. Although many larger organisations are using technology to raise quality and make best use of worldwide markets, new digital communications equipment has allowed individuals and small groups to create and distribute their own material. The greater availability of broadband access will accelerate the development of the creative industries.

## Cultural strategies, regeneration and social inclusion

Public agencies have noted the economic strength of the sector, its ability to work to regenerate areas, and to involve individuals in communities in creative and socially valuable activities. Over recent years, several strategy documents have been written and published by different agencies. The latest is the Mayor's draft 10-year plan: *London: Cultural Capital*. Although the strategies are important, perhaps as significant have been the grants and funding that have allowed individual projects to grow and develop a life of their own.

One potential future example is the Rich Mix Centre, Bethnal Green, for which the LDA has "committed a one-off capital payment of £3.7 million towards the development of … … a major new international arts, culture, education and heritage centre. The centre is projected to create over 100 jobs and contribute greatly to the local and regional economy. It will focus on education, training and skills development in the cultural and creative industries. Training will be accessible to all sections of the community."

There are examples of much smaller financial commitments having valuable effects on local communities. It is seed-corn finance that is essential to many small businesses that are starting out.

## Changing demand levels in the sector

### • Audio-visual and multi-media developments

Developments in digital technology have resulted in the growth of multi-channel television, extensive use of the web as a way of broadcasting, and a surge in the production of computer games. We, as consumers, know the finished products, but the changes in production processes have raised and widened the skills needs of the subsector. The skills in demand are:

- high-level technical skills – programming and digital editing
- creative awareness to develop content, and
- design.

Small businesses in the City and Hackney, in particular, specialising in producing programmes, web design and other multi-media products, have been responsible for creating a wide range of new jobs. Many of these are taken by young men, and so we need to look at encouraging more women and older men into the sector.

The recent report commissioned by the Mayor on the Asian Creative Industries[12] cites ClubAsia – a radio station with its studios in Barking – as one example of the increasing number of broadcasters in London. This new radio station has proved successful with an innovative approach to programming.

### • Music and the performing arts

There are new and traditional venues including Stratford Circus, the Ocean Centre, Hackney Empire, Theatre Royal, Greenwich Theatre, Queens Theatre (Hornchurch) and the Barbican in the City.

An important development has been the growth of community-based performance which is involving larger numbers of people.

Meanwhile, those who want to be involved in the music business do not have to depend on support from large multi-nationals. Performers can record and broadcast their own music relatively cheaply through internet connections. Nowadays, keen musicians do not have to wait to be *discovered*.

The Mayor's draft strategy specifically identifies cultural areas being developed, and gives examples of funding support through the LDA given to the Laban Centre and Cockpit Arts in Lewisham.

### • Design, visual arts, and crafts

In our previous strategic analysis[13] of the creative industries, we noted the strength of the visual arts sector in East London and claimed the area had one of "the largest artist communities of anywhere in Europe". The analysis continued by discussing the rising cost of studio space in areas such as Clerkenwell and Shoreditch and Hoxton. It also pointed to a move towards Stratford, and other parts of Tower Hamlets, Waltham Forest and Haringey.

Design has benefited enormously from ICT developments with major changes in the design industry. The computer not only allows an opportunity to experiment with design, but digital transmission gives the power to send detailed production instructions and designs to manufacturing plants anywhere in the world. Many businesses now expect their designers to have, or be capable of gaining, advanced IT skills to go with their creative skills.

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[12] GLA, *Play it right, Asian Creative Industries in London*, 2003

[13] Written by John Lancaster, Perfect Moment, *Cultural and Creative Industries: Delivering what the sector needs*, 2001. This study was commissioned by London East Training and Enterprise Council (LETEC), our predecessor.

## Skills issues for the cultural and creative industries

There are many highly-qualified people in these industries. There are also many who are self-taught and have not tried to get an official qualification for themselves. Even those who have qualifications may continue to educate themselves as they push back particular boundaries in music and media.

However, there are some fundamental skill issues that go across the different subsectors.

- Higher-level technical skills are needed in all sectors.
- Multi-skilled staff as well as specialists are needed in all sectors.
- Extra skills are needed for businesses to survive.

In this document we have referred to the large numbers of small and microbusinesses in the sector. There are also many part-time, short-term contract, and freelance staff in the sector – possibly as many as 50% of the workforce. This has important implications when drawing up plans to develop them.

However, the really important skills issue for the 4,000 small businesses in London East centres on the skills businesses need to survive. Many in the sector have creative talent, and are well qualified in their field, but they may need to add the following skills.

- Marketing
- Distribution
- Legal knowledge, specifically an understanding of intellectual copyright
- Fundraising and sponsorship
- Public relations
- Research, and
- Project management.

Other skill gaps have been identified in the workforce:

- Administrative skills
- Basic skills
- ICT and computing skills, and
- Specialist technical skills.

The next chapter looks at the supply of people entering the sector and some of the barriers to further learning that need to be overcome to meet these skills gaps.

## Vocational skills gaps

The Skills Dialogue identified a series of vocational skills gaps. It said that television has skills gaps in graphic design and web design, software engineering, as well as general skills shortages in production posts. Film has skills gaps in production accountancy, line producers and craft and technical grades. Digital content creation reports gaps in management skills, and animation notes gaps in basic drawing skills and pre-production skills. In design and publishing the problems tend to centre on management skills, and in advanced IT skills. In design, business awareness skills and customer handling are noticeable gaps. In printing and publishing some core vocational skills are also lacking.

# Chapter 3
# Skills supply for the sector

All through this document we have stressed the diversity of the sector. The skills supply is equally complicated in nature. One feature that does stand out is the generally high levels of qualifications needed to work in the industries, in spite of the temporary nature of many of the employment arrangements.

People can enter the various subsectors in the cultural and creative industries by traditional routes, but we have noted that the sector has three parts – community, voluntary and underground. It also has some members of the workforce who are involved in the industry as their second job.

Both the cultural and the creative industries have large numbers of highly-qualified people. Metier's research on the arts and entertainment industry suggests that its subsector has 82.5% qualified at level 3 and above[14]. This study also showed that some 72% had either a first or postgraduate degree. Only in the areas of performing arts and performance design and technical support did the figure for awards at level 3 and above fall to around 64% of the workforce – still a very high figure compared with qualification levels across all sectors.

The Skills Dialogue[15] said that an increasingly high percentage of people entering into the media and creative industries are graduates. It continues, "...the higher education system is a key supplier of new people and skills into the sector." Skillset, in its survey of freelancers as reported in its *Workforce Development Plan 2001-04* (2001), said that over 50% of the workforce in each of its subsectors had a first degree, and the number with postgraduate qualifications was also remarkably high. Skillset's statistics on freelancers holding postgraduate degrees illustrate the point:

- animation – 42%
- feature film – 32%
- cable and satellite – 31%
- facilities – 30%, and
- new media – 30%.

Its *Workforce Development Plan* shows that relevant technical qualifications are held by the workforce, but NVQ and Modern Apprenticeship routes are far less common.

The London Skills Forecasting Unit's analysis of graduates' first destinations[16] in *Creative Skills* showed that half of London's computer-science graduates stayed in London for their first jobs, and that London had a magnet effect in drawing art and design graduates from other higher education institutions in the UK to work in the capital.

The Skillset and British Film Institute database of media-related courses nationally had just under 600 undergraduate courses. Skillset's postgraduate survey found 119 courses. The analysis carried out by Perfect Moment for us in 2001 listed higher and further education courses locally[17]. This information is now live on a website www8-046.web.dircon.net/art-east/ and shows hundreds of sector-relevant courses, particularly short vocational courses.

[14] Metier, *Workforce Development Plan*, 2001

[15] DfES, *An Assessment of Skill Needs in the Media and Creative Industries*, 2002

[16] The Higher Education Statistics Agency publishes the results of survey work about what students do following graduation. It categorises these activities, and they include employment, further study or training, and 'not available for further study or training or employment'.

[17] John Lancaster, Perfect Moment, *Cultural and Creative Industries: Delivering what the sector needs*, 2001

High-level qualifications may be one route into the industry, but even graduates may have to work on part-time, freelance or temporary contracts to become established. The stress coming from the industry on higher qualifications also means that appointments at craft and technical level are more difficult to make, because the supply of interested and qualified applicants is not coming through.

Media studies as a broad-based subject is often an attractive choice. On the other hand, students tend to ignore more specific courses, such as broadcast engineering, leaving skill shortages for the industry. For the creative industries, as a whole, there is scope for more practical study programmes relevant to industry needs.

There are opportunities to carry out training programmes as new industry entrants for school-leavers, but these places are in short supply. The Skills Dialogue looking at the national take-up of Modern Apprenticeships in all subsectors said it was low with "just over 100 Apprenticeships" in the audio-visual area.

In spite of high levels of qualifications in the cultural and creative industries, there are groups of employees and potential employees who have not had their skills accredited, and we need to find ways to harness that area of supply.

## Barriers to learning

There are learning opportunities in London and London East to pursue academic and vocational qualifications. The problems in accessing learning come later. In a fast-moving industry, continuous professional development is essential.

The most immediate barriers are time and money. Small businesses often see staff training as a cost and not an investment. Releasing staff for training off the premises is expensive, and not common practice. The various reports cited in this strategy note a lack of planned training activity, and an assumption that new skills will be learnt in the workplace, not necessarily by formal processes but rather by occasional mentoring conversations. The awareness and take-up of Investors in People is reported to be low across the sector.

Training activity around new software and equipment is also expensive, and not necessarily available through publicly-funded provision.

There is sometimes a lack of relevance to the industry in the curriculum offered by learning providers, and this may put off some potential learners. We need to see stronger links between practitioners and learning providers.

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## The strengths of the sector

The sector has:

- a highly-qualified workforce in many areas
- products and expertise that are in demand worldwide
- networks, clusters and community bases that have the creative energy to develop even further
- a strong technological infrastructure in London East to develop business activity
- financial support from publicly-funded strategies and initiatives, and
- a highly-flexible workforce.

## The needs of the sector

The sector needs to:

- support its workforce – including part-timers and freelancers – to make sure they maintain their skill levels
- develop new skills in its workforce to meet business needs – marketing, distribution, managing projects, handling intellectual copyright, and so on
- raise the profile of craft and technical skills as valued parts of the industry
- develop generic skills, and improve its leadership and management capability, and
- develop clear progression routes.

## The challenges for the future

Although the sector has made enormous progress in its economic development over the last 10 years, there are still objectives to be met.

- The sector needs to "address long-standing inequities by improving access, and participation[18]" – the barriers for entering courses and employment are high, and the present employment structure of the industry does not match the cultural diversity of the community where it is based.
- The mainstream cultural and creative industries need to continually recognise and support community-based and fledgling (new) enterprises as they will contribute to the future supply of skills.

[18] John Lancaster, Perfect Moment, *Cultural and Creative Industries: Delivering what the sector needs*, 2001

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We will work to:

- make sure that learning opportunities are relevant and focused and take account of the developments that are taking place in a fast-moving industry
- make sure partnerships develop and work between practitioners and learning organisations
- encourage links between large and small organisations to share good practice
- encourage links between mainstream, community and underground organisations to nurture creative talent
- support the curriculum mapping exercise in the Thames Gateway area, and use the results in developing provision to meet the needs of the employees and potential employees of the cultural and creative industries
- support the informal networks across industry subsectors
- make sure the cultural and creative industries use the cultural diversity of the region in their future development, and
- encourage all partners to use the vibrancy and growth associated with the cultural and creative industries to take forward the regeneration agenda, to promote access and to tackle social exclusion.

# Appendix



| Standard industrial classification codes | Creative industries subsectors |
|---|---|
| | **Audio-visual** |
| 22.31 | Reproduction of sound recordings |
| 22.32 | Reproduction of video recordings |
| 22.33 | Reproduction of computer media |
| 72.60 | Other computer related activities |
| 92.11 | Motion picture and video production |
| 92.12 | Motion picture and video distribution |
| 92.13 | Motion picture projection |
| 92. 20 | Radio and television activities |
| | **Photo imaging** |
| 24.64 | Manufacture of photographic chemical material |
| | **Print and communication** |
| 21.21/1 | Manufacture of corrugated paper |
| 22.21 | Printing of newspapers |
| 22.22 | Printing not elsewhere classified |
| 22.23 | Bookbinding and finishing |
| 22.24 | Composition and plate making |
| 22.25 | Other activities related to printing |
| 28.72 | Manufacture of light metal packaging |
| | **Publishing** |
| 22.11 | Publishing of books |
| 22.12 | Newspaper publishing |
| 22.13 | Journal and periodical publishing |
| 22.15 | Other publishing |

Source: Annual Business Inquiry 2001, ONS Crown copyright (2003)

# Glossary

*cluster* – a cluster development is made of groups of companies, and specialised suppliers all operating in the same local area. These organisations may co-operate as well as compete, and may have links to public organisations such as universities. You can find a detailed explanation in *Business Clusters in the UK – A First Assessment,* DTI, 2001.

*generic skills* are those skills which can be used across large numbers of different occupations. They include what are defined as key skills – communication, problem-solving, team-working, IT skills, using number and an ability to improve personal learning and performance. (National Skills Task Force, 2000)

a *microbusiness* is usually defined as a small business employing fewer than 11 people.

*regeneration* activities referred to in this document are programmes designed to improve the physical and economic conditions of local areas, usually led by government departments.

*seed-corn finance* is money needed to start a business, to allow it to grow.

*social exclusion* is a term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high-crime environments, bad health and family breakdown. (Government – Social Exclusion Unit)

*social inclusion* covers the range of activities led by government agencies to help people and communities overcome the social problems they are experiencing.

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