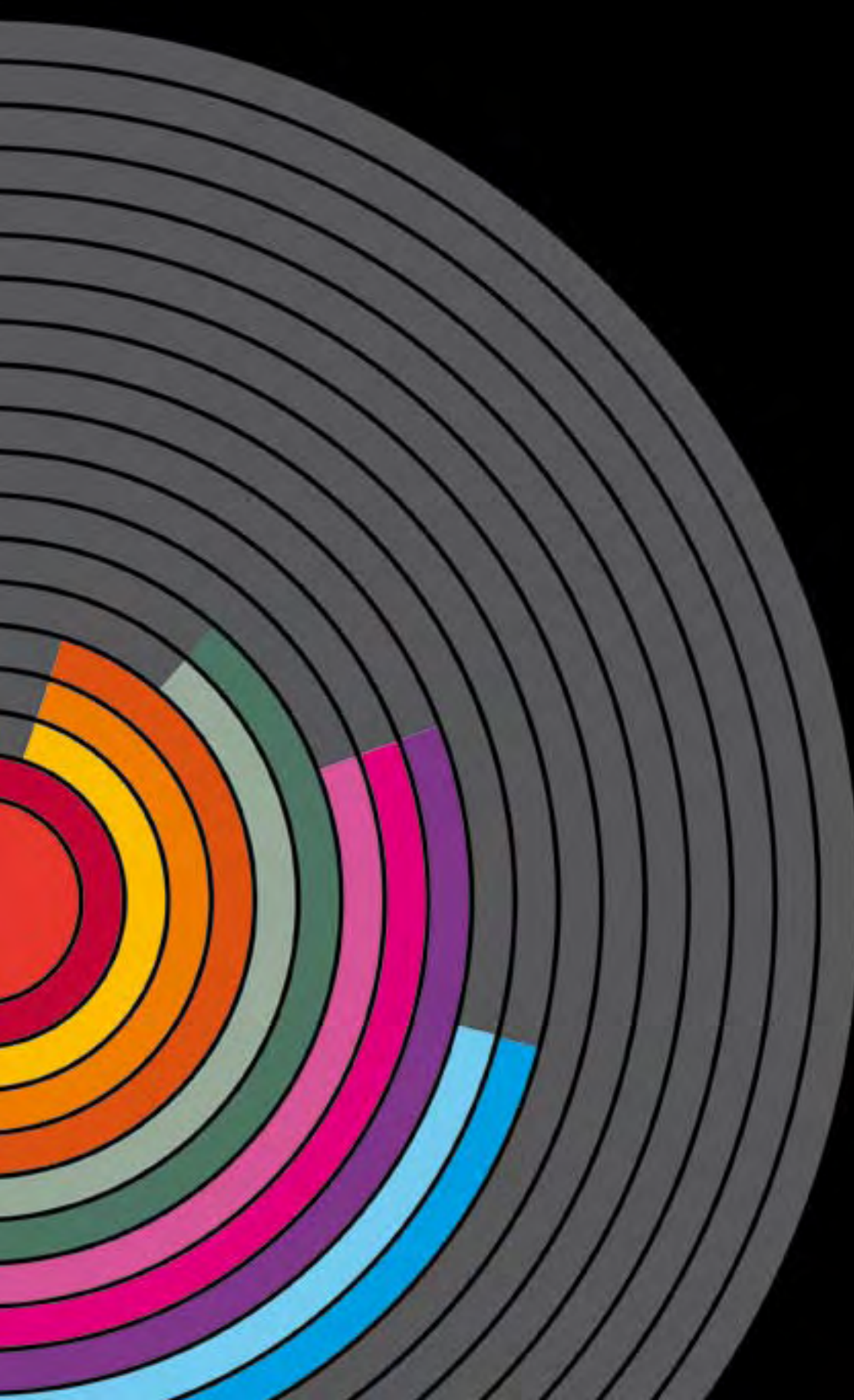




department for  
culture, media  
and sport

Creative Britain  
New Talents for the New Economy



**BERR** | Department for Business  
Enterprise & Regulatory Reform

*Unlocking talent*

Department for  
**Innovation,  
Universities &  
Skills**

Our aim is to improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence, and champion the tourism, creative and leisure industries.

## Foreword by Prime Minister



Gordon Brown

Gordon Brown

Britain is a creative country. You can feel it every time you visit one of our great museums, galleries or theatres. You can see it when you watch the best of our television or play our imaginative new computer games. And you can sense it in our music, film, fashion and architecture. Creativity is at the heart of British culture – a defining feature of our national identity.

And today, the force of British creativity is renowned throughout the world. People across the globe are inspired by the sheer diversity of our creative talent and the consistency with which that talent takes the arts in new and exciting directions. They recognise Britain as a hub of creative endeavour, innovation and excellence, and they are drawn to the strength of our creative economy.

In the coming years, the creative industries will be important not only for our national prosperity but for Britain's ability to put culture and creativity at the centre of our national life.

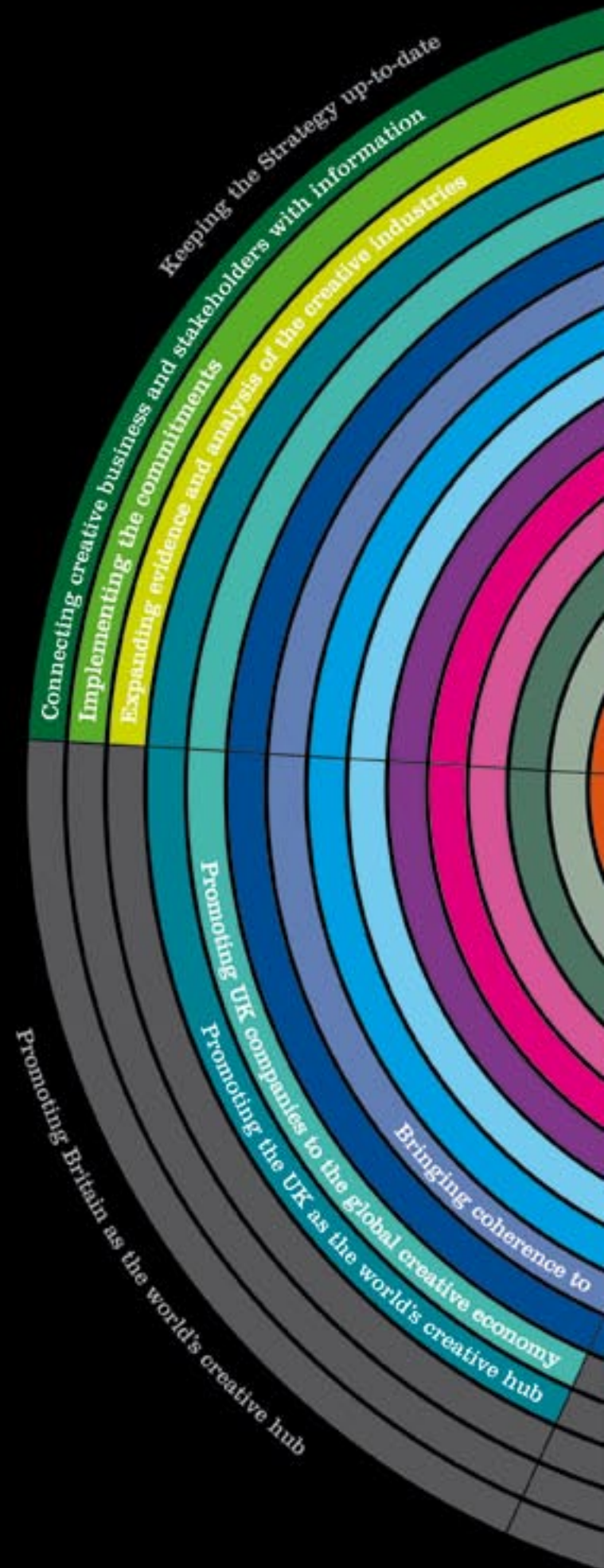
I believe we have a responsibility to give everyone the opportunity to unlock their creative talents. Creativity, culture and the arts improve the quality of all our lives, and I am enormously proud of the talented people in this country who, through their creative gifts, illuminate their lives and ours. So this strategy is intended to help more people discover and develop their talents and to use those talents to build a dynamic and vibrant society, providing entertainment alongside opportunity.

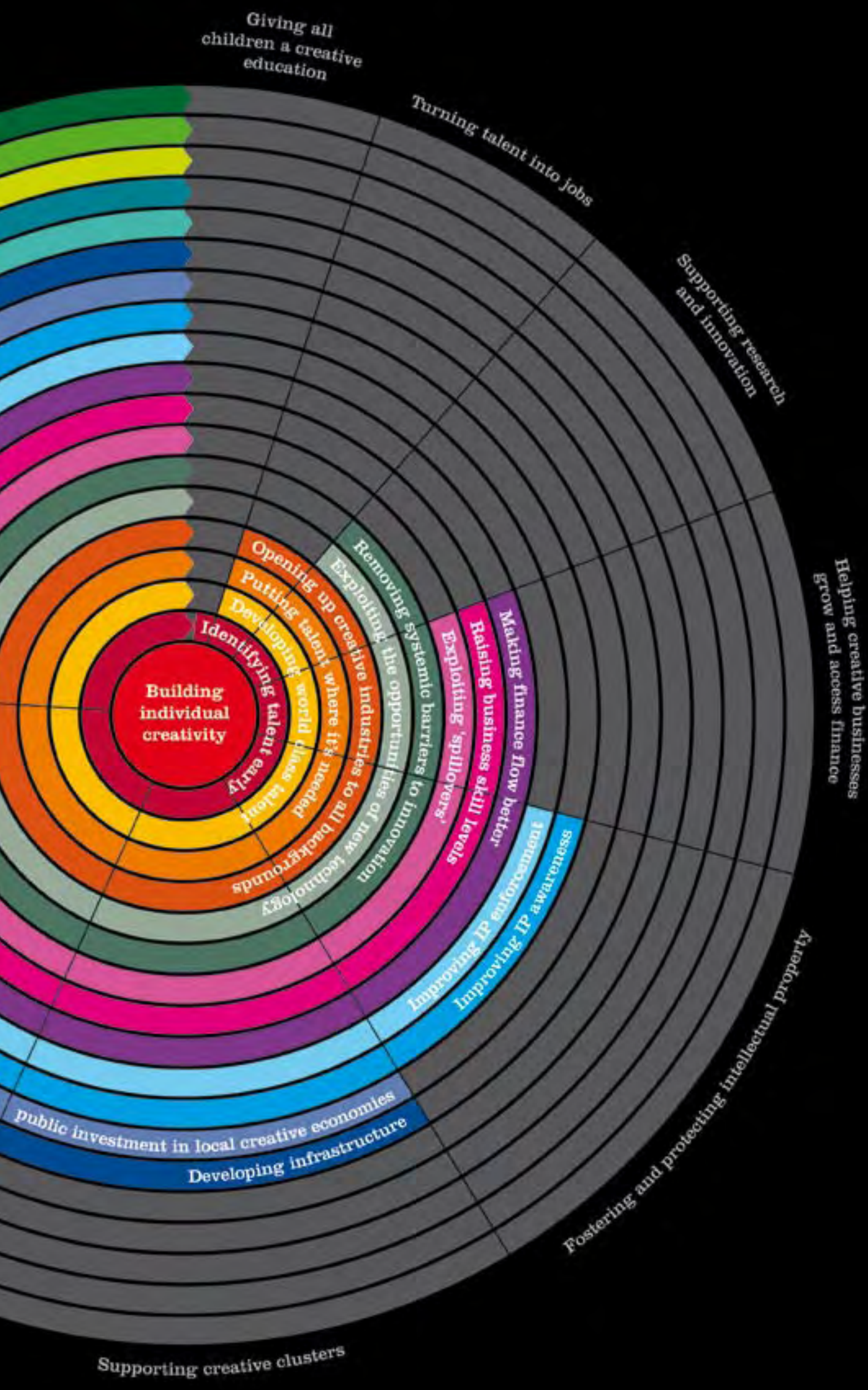
It is also intended to make it easier for creative people to build on their success. In the global marketplace, our capacity to break new ground will be crucial to our future prosperity, and we need to act now to make Britain's creative industries accessible to an even wider pool of talent and to support our creative economy to enable it to grow.

This is a strategy with the flexibility to adapt to and support a sector that is changing faster now than ever, and I hope it will mark the beginning of a fresh new partnership with our creative industries. But it is just a start: the Government can provide the framework, but we must rely on our country's talent and the vision and commitment of all those working in the field if we are to build an even more creative Britain.

## The Creative Hub

This Hub, which documents our commitments, takes its inspiration from the diagram within the Work Foundation's 2007 publication *Staying Ahead: the economic performance of the UK's creative industries*. It set out how expressive value was most concentrated in the core creative fields but shows how it permeates into the cultural industries, creative industries and the economy as a whole.





## Foreword



**Andy Burnham**  
Secretary of State  
for Culture, Media  
and Sport

*Andy Burnham*

Britain is known for its creative talent. Our writers and artists, directors and designers, musicians, comedians and craftspeople light up the lives of people around the world.

Looking to the future, demand for culture and content in English of the highest quality will only grow. This presents a competitive advantage for Britain, but a major challenge too. Countries elsewhere in the world – both developed and fast-developing – are competing ever more vigorously, looking to seize new opportunities.

So now is the time to recognise the growing success story that is Britain's creative economy and build on it. The creative industries must move from the margins to the mainstream of economic and policy thinking, as we look to create the jobs of the future.

That challenge is as much for government as it is for business, but the action plan we put forward here is a sign of our intent. It seeks to provide our creative industries with an unrivalled pool of talent to draw on and the same formal, structural support associated with other industries, such as assistance with infrastructure and skills development.

Our creative industries have grown twice as fast as the rest of the economy in recent years, now accounting for over seven per cent of GDP. If they are to continue to grow in size and significance, we must work hard to maintain the most favourable conditions to stimulate British innovation and dynamism. And we must ensure there are people with the right skills to meet the needs of that expanded creative sector.

Today, the exciting worlds of music, television, fashion and film seem too closed off for many young people. Too often, a fledgling creative career depends on who you know, how far from home you are prepared to travel, or how little you are prepared to work for.

So at the foundation of our strategy are two key proposals: more opportunity for young people to develop creative talents at school; and more structured pathways into creative careers.

Every young person has creative talents, but not everyone is helped to discover them. The new 'Find Your Talent' scheme will give every young person in school in England more opportunities to experience arts and culture of the highest quality – providing good life skills for all and new opportunities for many.



**John Hutton**  
Secretary of State  
for Business,  
Enterprise and  
Regulatory Reform

*John Hutton*



**John Denham**  
Secretary of State  
for Innovation,  
Universities  
and Skills

*John Denham*



**Margaret Hodge**  
Minister of State  
for Culture, Creative  
Industries and  
Tourism

To bring that talent on, we need clearer, fairer career pathways into the creative industries and new educational and vocational opportunities. **As a major signal of the Government's intent we are supporting the creative industries to significantly expand apprenticeships to 5000 a year, right across the country** and call on creative businesses to work with us to achieve it. Building on those foundations, we need to do more in the future to protect and nurture our creative businesses.

As ideas are the real currency of creativity, we propose a series of wide-ranging initiatives developed specifically for the sector, like steps to protect intellectual property and support for innovation.

Lastly, we need to give our creative industries a powerful global presence and the opportunity to compare themselves with the very best in the world. The centrepiece of this will be the World Creative Business Conference, a new annual international event, which we hope will become the equivalent of Davos for the creative industries.



**Baroness Vadera**  
Parliamentary  
Under Secretary  
of State for  
Business and  
Competitiveness

Britain is a creative leader, but, with the new sense of energy and focus on our country that the Olympic Games will bring, it is a realistic ambition to make Britain the world's creative capital.

London is crucial in that, but our vision is of a creative engine in the heart of our biggest cities as a driver for regional economic growth. It means more creative job opportunities in every region, with clear routes into those careers from local schools and colleges. It means every young person believing they have a real choice to use their talents in a creative career.

We owe an enormous debt of gratitude to all the people from right across the creative economy that have helped bring us to this point. In particular, we acknowledge the Work Foundation, whose seminal *Staying Ahead* report sets out the territory on which this strategy is built.

We will repay that commitment by delivering on the actions promised here which creative industries themselves say they need. Our strategy is backed by at least £70.5m of government support and all government departments are fully committed to it.

Creativity is a dynamic process and we will continue to review and update the commitments in this strategy. But we are confident that it sets down a solid platform of support for creativity from the grassroots to the global stage.



**Baroness Morgan**  
Parliamentary  
Under Secretary  
of State for  
Intellectual Property  
and Quality

Photo: Dave Shaw

## Executive Summary

Britain is a creative country and our creative industries<sup>1</sup> are increasingly vital to the UK. Two million people are employed in creative jobs and the sector contributes £60 billion a year – 7.3 per cent – to the British economy. Over the past decade, **the creative sector has grown at twice the rate of the economy** as a whole and is well placed for continued growth as demand for creative content – particularly in English – grows.

This is a strong position. But there are major challenges ahead over the next decade. Global competition is growing as other countries recognise the economic value of creativity. To face this, our creative industries need the best possible business support structures in place and an abundant pool of talented people with the right skills to meet the needs of an expanding creative sector.

The challenge is as much for government as it is for business, but the action plan we put forward here is a sign of our intent. Now is the time to recognise the growing success story that is Britain's creative economy and build on that. The creative industries must **move from the margins to the mainstream of economic and policy thinking**, as we look to create the jobs of the future. The bedrock on which the strategy is built is the Government's fundamental belief in the role of public funding to stimulate creativity and sharpen Britain's creative edge. This is reflected in its support for the arts and its commitment to public service broadcasting. These are the threads that connect a country that values excellence in the arts and culture, a population rich in creative talent, and an innovative and flourishing creative economy.

The vision is of a Britain in **ten years' time where the local economies in our biggest cities are driven by creativity**, where there is a much expanded range of creative job opportunities in every region with clear routes into creative careers from local schools and colleges, and where every young person believes they have a real choice to use their talents in a creative capacity. It is a vision of creativity as the engine of economic growth for towns, cities and regions. It's also a vision of dynamic, innovative, successful creative businesses providing prosperity and fulfilling job opportunities right across the country.

The journey mapped out in this plan covers the whole creative process from the grassroots to the global marketplace. It starts in schools, with a new commitment to culture in children's education. It links education and the world of work, and includes a major signal of the Government's intent by supporting the creative industries to expand significantly apprenticeships to 5,000 a year by 2013 right across the country. It continues into the workplace with actions to support businesses and it looks to the future with the promise of a ground-breaking international event for the world's leading creative businesses. Together this journey provides a coherent and comprehensive set of measures to make Britain the world's creative hub.

<sup>1</sup> The creative industries include advertising, architecture, the art and antiques market, crafts, design, designer fashion, film, interactive leisure software, music, the performing arts, publishing, software and computer services, television and radio.



### Unlocking creative talent

Young people benefit from artistic and cultural experiences in many ways. There is the sheer pleasure and enjoyment of seeing, listening and taking part; the building of confidence and presentation skills; the possibility of igniting a life-long passion. For some, the opportunity to experience the highest quality art and culture in schools will be the key that unlocks their creative talents, opening them up to the possibility of a future career in the creative industries. For all those reasons, **we will establish the 'Find Your Talent' programme – piloting five hours of culture a week for children and young people**, building on the national curriculum and the work of Creative Partnerships. Within those five hours – in and outside school – the aim is for every young person in England to have the chance to:

- attend top quality live performances
- visit exhibitions, galleries and museums
- visit heritage sites
- use library and archive services
- learn a musical instrument
- play music or sing
- take part in theatre and dance performances
- produce creative writing, or listen to authors
- learn about and make films, digital or new media art
- make a piece of visual arts or crafts.

We will pilot the programme in ten areas with £25 million over three years, with particular emphasis on gifted and talented young people and those with special needs.

Building on the excellent work of Feargal Sharkey's Live Music Forum, we are launching a new £0.5 million pilot scheme to provide young musicians in deprived areas with opportunities to practice and perform live, starting with the establishment of at least 10 new rehearsal spaces equipped to professional standards.

### Helping creative talent flourish

Having unlocked creativity, the vital next stage is to ensure that young people have real opportunities to develop, and that they can see clearly the directions in which their talent can take them. For too many at the moment, the chance to start a career in the creative industries means moving to London, working for free or knowing someone who can get you a foot in the door. The following measures help untangle the complicated and fragmented paths into a creative career and provide new opportunities for training and work experience.

**By 2013 we expect that the creative industries will provide up to 5,000 formal apprenticeships a year.** As a major signal of the Government's intent, we have challenged creative industries to provide these opportunities across the country and already have commitments from All Out Productions, Bluecoat, BBC at mediacity:uk, Birmingham Repertory Theatre, Centini, Everyman and Playhouse Theatres, FACT, ITV Granada, LOCOG, Monkeydevil Design, Museums, Libraries and Archives Council, Liverpool Biennial, National Museums Liverpool, National Trust, NCSOFT, Objective North, Royal Liverpool Philharmonic, Royal Opera House, Royal Shakespeare Company, Sage Gateshead, Tate Liverpool, UK Unsigned, Unity Theatre and Universal Music Group.

**The Department for Culture, Media and Sport will work with its Non-Departmental Public Bodies, and through them with its sectors, to agree actions to promote a more diverse workforce.** This will involve education, outreach work, spreading good practice and awards that recognise the most diverse firms.

**We will create a talent pathways scheme to support and inspire** young people from all backgrounds to pursue careers in the creative sectors. The aim will be for young people to be supported, better informed and guided through each stage of their development from cultural provision in and out of school for children, to better and broader careers advice through initiatives like Creative Choices, and mentoring, talent scouting and national skills camps for young people.

**We will conduct research to ensure that academia is equipping students with the skills they need to make the most effective contribution they can to the creative economy.** The research will support a challenge to industry and academia to build ever-stronger links in the interests of bridging gaps in skills provision.

**We will encourage employers and skills providers to set up ground-breaking new innovative places of learning.** In addition to the recently announced Skillset Screen and Media Academy network, the Pervasive Media Studio for digital media, and the Eastside Arts Academy, we are working with the industry to develop a National Skills Academy for the creative and cultural industry, a Centre For Excellence for Computer Games, a new Couture Academy, a Finishing School for Animation in Education and a UK Design Skills Alliance to improve professional standards in design education and practice.

**We will explore the impact of a brand new 'academic hub' supporting collaboration between schools, further and higher education to provide end-to-end development of creative skills for people aged from 14 through to 25.** This is a new way of working for arts universities, such as the University of the Arts London (UAL). It will enable the sharing of curriculum content, industry contacts and facilities with schools, as well as mentoring of students and exchanges for staff, leaders and governors.

**Putting the creative industries at the heart of the economy**

Alongside the emergence of a richer, deeper pool of creative talent, the support outlined below for research and innovation, business growth, intellectual property rights and the development of creative clusters will help to bring the creative industries in from the margins to the heart of the economy.

**Supporting research and innovation**

**The Technology Strategy Board will provide £10 million to inspire new collaborative research and development ideas for the creative industries.**

This will encourage business to work together to share knowledge and expertise and to jointly develop new ideas, products, processes and services.

**The National Endowment for Science, Technology and the Arts (NESTA) will launch a £3 million Creative Innovators Growth Programme.** The programme will help identify what specific support is needed by small and medium-sized creative businesses that seek to exploit new technologies.

**The Technology Strategy Board will launch a Knowledge Transfer Network for the creative industries.** This will help creative businesses access expert knowledge and information by bringing them together with technical experts, suppliers, customers, universities, research and technology organisations and others.

**The Department for Innovation, Universities & Skills will commission research to better quantify the economic benefits of the creative industries with special attention to the value added by innovation in those industries.** This is likely to be of particular relevance to businesses that rely on copyright rather than patent.

**Helping creative businesses to grow**

**Arts Council England will help deliver the objectives of the Creative Economy Programme** with support targeted at projects that combine artistic excellence with commercial potential. Working with Regional Development Agencies (RDAs), Arts Council England will provide venture capital to small creative enterprises. Arts Council England will also expand the management courses in its Cultural Leadership Programme to help small businesses develop business and training plans.

**The RDAs will establish a network of regional beacons for the creative industries.** The approach will be piloted in the South West, South East, North West, North East and West Midlands regions, and will look at ways in which the business support framework can best deliver benefits for the creative industries.

**We will encourage bids for Enterprise Capital Funds (ECFs) from the creative industries and help generate** increased investment flows to the sector. We will also welcome economic analysis from the creative industries to demonstrate the existence of particular challenges experienced by them in securing equity finance.

**Fostering and protecting intellectual property**

**We will consult on legislation that would require internet service providers and rights holders to co-operate in taking action on illegal file sharing** – with a view to implementing legislation by April 2009. Finding voluntary, preferably commercial solutions, remains the ideal, but the Government will equip itself to introduce legislation swiftly if suitable arrangements between ISPs and relevant sectors are not forthcoming or prove insufficient. We will also explore tougher penalties for copyright infringement. These actions signal the Government's strong support for the creative industries as we move towards a fully digital world.

**The UK-Intellectual Property Office (UK-IPO) will put into action a plan on intellectual property (IP) enforcement.** The aim is to use the current enforcement regime more effectively through innovations such as a National Centre of Excellence to offer expert police resources to local enforcement. **We will promote better understanding of the value and importance of intellectual property.** This will be delivered through the curriculum in schools and public awareness campaigns.

**Supporting creative clusters**

**The RDAs will pilot creative economy strategic frameworks in two regions** – the RDAs will take forward the aspects of the creative economy strategy which apply in the regions, working with creative and cultural agencies and businesses to align plans and resources, find and exploit efficiencies, and invest strategically in priority projects.

**The Government is launching a review to identify the barriers to investment in next generation broadband.** In addition to growing consumer expectations, innovative new services like online video games, video and music distribution and user-generated content are set to expand. We need to make sure that where possible we take action to remove constraints on future development of the market.

**Through the Local Government Association, and with the RDAs, we will develop a 'menu for local infrastructure'.** This will be a tool to help local and regional authorities decide which developments – like flexible office and rehearsal space, or protection of existing venues and marketing – they might pursue to attract the creative industries to their areas, kick-starting their own creative hubs.

**The UK Film Council, in association with Arts Council England and the Arts and Humanities Research Council will help develop 'mixed media centres'.** Popular cultural venues such as Manchester's Cornerhouse, Tyneside Cinema and Bristol's Watershed have the potential to act as hubs of creativity for businesses in their respective cities.

**In line with the recommendations of the Live Music Forum, we will encourage the protection of live music venues, building on the example set by the work of the Mayor of London.** Our vibrant, diverse and thriving musical heritage depends on the availability of venues of a wide range of sizes and sophistication and our intention is to ensure their future is protected.

**The world's creative hub**

The UK's location between the US and Asia – and the current vibrancy of Britain's creative economy – places us in a **unique position to become the world's creative hub**, developing and sustaining relationships through cultural exchange. This also promotes the flow of creative talent to and from this country necessary to continually refresh and invigorate our creative economy.

**UK Trade & Investment will lead a five-year strategy to enhance the international competitive position of the UK's creative industries.** The strategy will promote our reputation as an innovative, dynamic springboard to global growth.

**We will initiate the launch of the World Creative Business Conference.** This will be an annual event for world leaders in the creative industries and financial sectors. Aspiring ultimately to the global significance of the Davos Economic Forum, we will aim to hold the first event in spring 2009.

**We will work with the Mayor of London and other partners to champion London's many creative festivals** and forge better, mutually beneficial links with important festivals around the country such as Animex, the International Festival of Animation and Computer Games in Middlesbrough and the Birmingham International Film Festival.

**Keeping the strategy up-to-date**

This document is valuable as a statement of intent – but the commitments it makes can only be a high-level summary of the many actions currently underway or imminent. To make sure that we are flexible and adaptable to the rapid changes in the creative sector we will establish a new board led by Ministers to implement this programme and respond to changing technology and new demands. We will also continue to gather new evidence and fund new research.

Finally, an interactive website will be launched where stakeholders can signal new pressures and challenges, hold debates and discussions, and access the latest version of the strategy.

## 1 Giving all children a creative education

### Challenge

Building individual creativity

Identifying talent early

### Response



The 'Find Your Talent' programme for children and young people

Ideas are the raw material of the creative industries. But unlike those for traditional products, we cannot dig them out of the ground or pick them off trees. Ideas are generated through individual and collective talent and innovation. That is why it is essential to prepare the ground thoroughly – to give every child and young person the opportunity to develop their creative talent to the full. So we will establish the 'Find Your Talent' programme for children and young people – to ignite a desire for creativity in the next generation, and provide additional means to discover talent where it might otherwise have lain hidden.

Building individual creativity

- 1.1 The creative industries start with individual creativity. So, too, does every child's learning experience. There is a growing recognition of the need to find practical ways of nurturing creativity at every stage in the education system: from the nursery through to secondary school; whether in academic or vocational courses; on apprenticeships or at university. In a world of rapid technological and social change, creativity extends well beyond art or drama lessons. It is as much about equipping people with the skills they need to respond creatively and confidently to changing situations and unfamiliar demands; enabling them to solve the problems and challenges they face at home, in education, at work; and making a positive contribution to their communities.

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**Creative Partnerships – a success story**

'Regular visits to creative industries profoundly changed the nature and purpose of learning... In all cases the relevance of the curriculum became clearer and, for some, fundamentally changed their aspirations... Skills that were consistently improved – literacy, numeracy, ICT, self-confidence, team working, an ability to show enterprise and handle change – are likely to contribute to pupils' future economic well-being.'

**Ofsted Inspection**

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- 1.2 The importance of creativity to every child's education was explored in the Roberts Review of 2005, *Nurturing Creativity in Young People*. Roberts argued that creativity should be central to every child's early learning experience and that prevailing education policy (with its focus on autonomy, commissioning and personalisation) offered real opportunities for embedding it. His report provided a framework for developing creativity from the early years to the development of adult skills in the creative industries.
- 1.3 As the Roberts review recognised, our education system already does much to foster creativity. Creativity and play-based learning are central to Early Years education. The Early Years Foundation Stage framework seeks to develop creative and critical thinking skills. At primary school, creative thinking is seen as essential to effective learning, with opportunities to teach and learn these skills threaded through the curriculum. All this is reinforced by the new secondary curriculum, to be introduced later this year, which expects schools to give young people opportunities to develop their creativity and critical thinking.
- 1.4 The new curriculum expects schools and colleges to give more pupils the chance to work alongside professionals in the creative sector. While this already happens in many schools and colleges – delivered through a range of relationships with arts organisations, broadcasters, trade bodies and others – the new curriculum should help to foster more opportunities in the future.

- 1.5 Creative Partnerships, the Government's flagship creative education project, is built on these principles. It has given hundreds of thousands of disadvantaged schoolchildren the chance to develop their creativity through projects involving creative organisations and individuals. The Government's enterprise education strategy is also helping all young people to be creative and innovative in developing business and entrepreneurial skills. It is teaching them to take and manage risks, and to do so with determination and drive – giving them confidence to be the innovative employees, successful business people and social entrepreneurs of tomorrow.

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#### **Examples of current partnerships**

- Creative Partnerships, run by Arts Council England, has placed creative practitioners in over a thousand schools in 36 areas of high social or economic deprivation to work with groups of pupils and teachers.
- First Light Movies enables young people to make short digital films.
- Film Club enables children to watch an increasingly diverse range of films, broadening their appreciation of film and improving media literacy.
- The Young Design Programme, created and run by the Sorrell Foundation, gives schoolchildren the chance to work with university student designers to solve real problems.
- Computer Clubs 4 Girls encourages 10-14 year-old girls to experiment with information technology and computer games.
- Mediabox gives 13-19 year-olds in England the opportunity to develop and produce creative media projects for film, television, radio, online and multimedia platforms.

[www.creative-partnerships.com](http://www.creative-partnerships.com)

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### Commitment 1

## **We will establish the 'Find Your Talent' programme piloting five hours of culture a week for children and young people**

- 1.6 These programmes are successful individually. But we need to do more if all young people are to benefit from them. Because the first chance many young people get to develop their creativity comes through engagement with culture, we are committed to moving to a position where we can give every young person a minimum entitlement to a rounded artistic and cultural experience – what we call the 'Find Your Talent' programme. This will ensure that all children and young people, no matter where they live or what their background, have the chance to experience at least five hours of high quality culture a week in and out of school.
- 1.7 The 'Find Your Talent' programme will involve:
- lessons about culture – helping young people develop as critical spectators, participants and creators in the cultural world
  - learning through culture – using engagement with the arts and other activities to boost creativity, attainment and personal development



- 1.8 We want local communities, schools, colleges and young people themselves to help design this 'offer', but at a minimum, we would expect it to include:
- attending top quality theatre, orchestral and dance performances
  - visiting and engaging with national and local exhibitions, galleries and museums
  - visiting heritage sites, significant contemporary buildings and public spaces
  - opportunities to engage creatively with library and archive services
  - learning a musical instrument
  - playing music or singing in ensembles
  - taking part in theatre and dance performances
  - producing a piece of creative writing, or listening to authors talk about their work
  - learning about and making films, digital or new media art
  - making a piece of visual arts or crafts
- 1.9 We will set aside £25 million over the next three years to establish 'Find Your Talent' – a programme of 10 pilots where a range of partners will test different ways of delivering a comprehensive offer. These pilots will build on the considerable investment we already make in these areas, including the recently announced £332 million programme to support choirs, orchestras, new instruments, performance and free music lessons, and successful programmes such as Renaissance in the Regions for museums.
- 1.10 As well as ensuring access for all, we are committed to developing real talent and excellence. So, we will ensure that the Gifted and Talented scheme,<sup>2</sup> which will soon benefit a million of our most able students, stretches young people with a wide range of creative talents, and not just those with high academic ability. We will also work with industry and others in the creative world to foster the talents of young people, particularly those from disadvantaged backgrounds. We will ensure that they are encouraged and supported to develop their talents to the full and that they have access to the appropriate creative sector.
- 1.11 In developing this offer, we will work through the existing network of specialist arts schools and other schools and colleges delivering new Creative and Media diplomas. The arts network already has good geographical coverage (see map on page 18), but we are committed to widening it.
- 1.12 The 'Find Your Talent' programme is, in part, inspired by our success in improving sports participation in schools and colleges. A similar offer in sports has led to over 80% of children taking part in two hours of sport a week in school – with all expected to do so by 2010. We are now able to extend that offer so that all children will have the chance of increasing that to five hours in and out of school. The Youth Sports Trust (YST) has been instrumental in the success of this initiative, providing both national leadership and local co-ordination.

<sup>2</sup> [www.standards.dcsf.gov.uk/giftedandtalented](http://www.standards.dcsf.gov.uk/giftedandtalented)

- 1.13 A new Youth Culture Trust will be established to perform an equivalent role to the YST in the implementation and oversight of 'Find Your Talent'. The trust will be supported by key creative, cultural and educational organisations such as the Arts Council England, Museums, Libraries and Archives Council, the UK Film Council, and the Specialist Schools and Academies Trust. Once formally established the Trust will develop the local pilots and roll out the Creative Partnerships programme to cover more areas, more schools and more young people.

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#### **Live music and rehearsal space provision**

We aim to create a network of sustainable community rehearsal spaces equipped to provide young people with professional facilities. This is in response to the recommendations of the Live Music Forum, chaired by Feargal Sharkey. It also builds on the success of the music rehearsal space project in Wrexham, which was supported by the Welsh Assembly.

Key music industry figures, local and regional government and other potential partners will be brought together to establish pilot schemes across the country. With £500,000 of government investment over the next two years, these pilots will focus on areas of multiple deprivation – both urban and rural – where such spaces are most needed and could have the greatest impact.

The initiative will also explore the potential for combining music rehearsal activities with community radio, to provide an audience for emerging artists and bands, and entry level experience for young people in broadcasting. We will also twin these rehearsal spaces with musicians and artists.

The engagement of key industry partners will be central to the success of the scheme. The British Phonographic Industries (BPI), the Association of Independent Music, Sony-BMG Music Entertainment (UK) and the MCPS/PRS Alliance have already agreed to be involved.

These organisations are well placed to co-ordinate the activities of artists and record company executives in promoting local studios and in providing encouragement, advice and expertise to aspiring young musicians. In the longer term, making links with other initiatives, such as *Places to Go*, we will encourage local communities to look at wider funding streams, such as the Treasury's proposed Unclaimed Assets Scheme, which allows money in dormant bank and building society accounts to be reinvested in society.

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Creative menu

- 1.14 We will also ensure that young people have the support they need to explore their own creativity outside school or college. In addition to music rehearsal spaces for young people, we will also fund the expansion of the Young Enterprise Quickstart Music programmes, working with British Music Rights (BMR) with support from the Education Foundation. These programmes enable young entrepreneurs to learn how to operate their own music businesses with support from business and music industry mentors.

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**Talent and Enterprise Taskforce**

As part of the Government's wider talent agenda, the Talent and Enterprise Taskforce has been created to act as a catalyst across government – and with influential social networks – to encourage and develop the talent and creativity needed for the future prosperity of this country.

The taskforce will take forward the Prime Minister's Global Fellowship for young people, aimed at developing talent which can contribute to and compete in the global economy. It will also promote a national schools festival celebrating talent in schools, and online information about activities for young people in their own neighbourhoods.

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- 1.15 We will help young people to understand intellectual property (IP), both as buyers and as potential producers – for instance when they upload a work of their own to the internet – as a seamless part of their cultural education (see also Section 5).

Conclusion

- 1.16 This is our first challenge: to give all children a creative education. Developing creativity and learning about our culture are fundamental to a good education. For many people they are simply part of a good and enjoyable life. But the benefits would also be felt by the creative industries through bigger audiences and a wider pool of talent. Our commitment to 'Find Your Talent' will be just a first step. We will need the enthusiasm and commitment of the creative and cultural sectors to meet our challenge: not least if we are to create a comprehensive and high quality range of creative options for all.

# Arts and Music Specialist Schools September 2007

## School Types

- Arts Colleges

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- ▲ HPSS Art

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- Arts combined

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- ★ Performing Arts CoVE

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- Music Colleges

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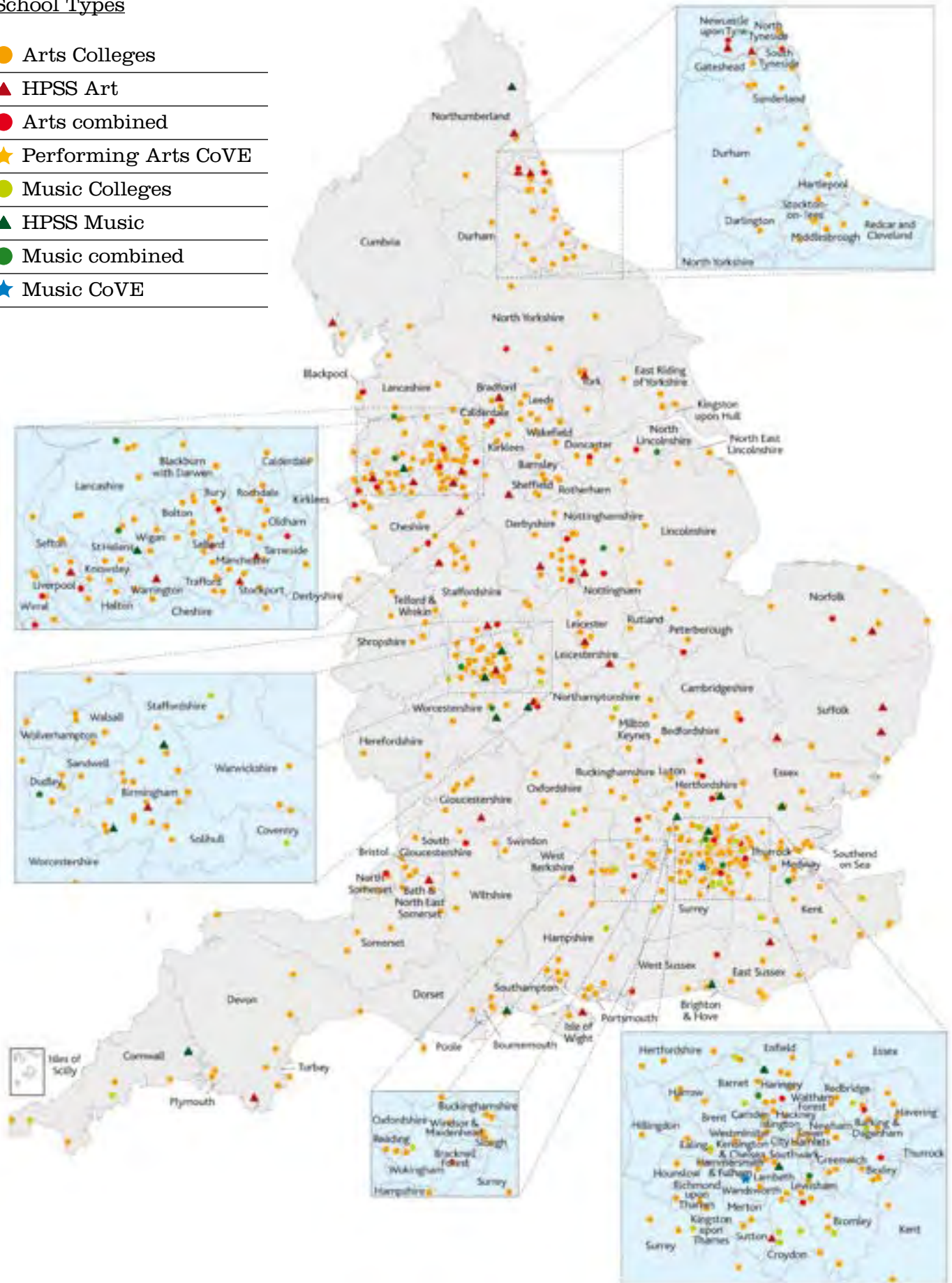
- ▲ HPSS Music

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- Music combined

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- ★ Music CoVE



## 2 Turning talent into jobs

### Challenge

Developing world-class talent

Putting talent where it's needed

Opening up creative industries to all backgrounds

### Response

Talent pathways

Groundbreaking new partnerships between employers and skills providers

End-to-end development of creative skills for 14-25 year olds

5,000 apprenticeships in the creative industries

Diversity challenge

Talent is the life blood of the creative industries. If the UK is to retain a world leading creative sector, it will be through winning the race to develop our creative skills. This can only be achieved by a renewed partnership between individuals, employers and the Government to unlock the talents of everyone.

Only an individual can decide to put in the huge effort required to reach the top of these professions – whether as a film director or advertising creative, ballet dancer or software designer. But for those talented individuals willing to put in that effort, government should do everything it can to remove any barriers to achieving their ambition; and for those businesses that thrive on talent, government should do everything to help put it where it's needed. This will only increase in importance as the creative industries grow and become more mainstream, opening up opportunities to a wider range of people.

There are several steps to the development of talent. 'The Find Your Talent' programme will ensure that everyone has the chance to discover their aptitude. The creative menu will open up our education and skills system to partnerships with industry which will help individuals decide which career is for them. Our universities and colleges will give them the professional development to follow that career by ensuring they offer the best creative courses in the world. And business itself will help the flow of talent by engaging with the Government's ambitious apprenticeships programme and Train to Gain service. Underpinning each step is the input and support of industry working through their Sector Skills Councils to develop excellence and relevance in the qualifications and skills that we deliver.

But we need to strengthen provision. We need to help talented individuals map out their paths to success, in industry and beyond. And we need to find better ways to give business access to the skills it needs at all levels and from all sources.

Developing world-class talent

- 2.1 **Providing support for talented children and young people:** our country is blessed with talent. It expresses itself in many ways. Many of the world's leading scientists are British. Our engineers are in global demand. Every year British sportsmen and women achieve outstanding results. And in the creative industries, our film makers, pop singers, designers, architects and many others have a place on any world stage. But for every individual who succeeds, there are many who do not. For many, it will be the result of a perfectly reasonable personal decision that the commitment and determination required is not for them, and that they wish to pursue other routes through life. But for others it is because the support they needed simply was not available for reasons beyond their control; because of their family environment, for example, or the school they went to, the community they live in or their access to resources. We believe that where talent and determination meet, they should be given every opportunity to succeed; and that every drop of talent wasted because of unfavourable circumstance is a loss.

Commitment 2

**We will create a talent pathways scheme to support and inspire young people from all backgrounds to pursue careers in the creative sectors**

- 2.2 To help address this issue, the Government will explore, as a priority for the next phase of the Creative Economy Programme, the potential for developing Talent Pathways in creativity. Talent Pathways will take the measures in this paper – from the 'Find Your Talent' programme and creative menu to better careers advice and new academies and apprenticeships – and build them into an end-to-end offer in a way that is relevant to the children and young people who will use them. It will also explore additional measures – for example, talent scouting, mentoring and a national creative skills camp.
- 2.3 Working in the creative sector is the ambition of many young people. But they and their careers advisers often don't realise the full extent of the skills that are valued by the creative industries. The assumption is too often made that a creative career is for those with an artistic talent. But the industry demands a much wider range of skills.
- 2.4 Any young person contemplating a higher education course could find it difficult to make an informed choice from the extraordinary range on offer. For example, there are currently over a thousand courses that include 'film' in their title and over 350 with the word 'television'. There are nearly one hundred courses related to computer games listed in the Skillset/British Film Institute database<sup>3</sup>, and the number of courses related to information technology runs into the thousands.

<sup>3</sup> [www.skillset.org/training/coursedatabase/](http://www.skillset.org/training/coursedatabase/)

- 2.5 It is often difficult for young people without university degrees to see how they might work in the industry. Even for graduates, the routes are not so clear. Demand for skills and expertise in non-arts subjects is increasing. Many working within the software, computer games and new media industries have told us of an unmet and growing demand for people with maths, physics and ITC skills. Indeed, many computer games courses at university level want to see candidates with A level standard in both maths and art – currently a rare combination. With an increasingly academic focus on design education, some design firms have noted increasing difficulty in finding employees who can express ideas through drawing. Aardman Animations, the creators of Wallace and Gromit, find it relatively easy to find good animators, but harder to find engineers to build the models which are a central feature of many of their films.
- 2.6 We will explore with industry how to establish a broader understanding of the range of qualifications that the industry requires, such as maths, engineering and ICT. This may also help to generate a greater incentive to study subjects perhaps considered dry and difficult.
- 2.7 Similarly, in the broadcasting, performing arts and film industries, there are real shortages of skilled people to do the essential jobs behind the camera and backstage. It is not possible to make TV programmes or feature films with creative talent alone – they need those with technical, engineering and ICT skills too.
- 2.8 In summary, the current position does not match the ambition – there is an over-supply of young people with different types of media studies qualification, but a shortage of those qualified to take the industries into the digital future.

Clear career paths

- 2.9 The Government challenges industry to work closely with the Sector Skills Councils to set out clear career paths into their sectors and support effective advice literature.
- 2.10 Creative and Cultural Skills (CCS), the Sector Skills Council for the cultural and creative industries, expects to launch its initiative [www.creative-choices.co.uk](http://www.creative-choices.co.uk) this spring – the first industry and user-led online service to fully exploit the potential of social media and give individuals a pathway to shape their own destiny.
- 2.11 The core of the new service will be the ability to find and compare all the courses, jobs, people and placements that are available across the sector. The service has benefited from a £2.5 million investment from the Cultural Leadership Programme, announced by the Prime Minister in 2006.

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Sector Skills Councils provide accurate and credible Labour Market Information (LMI) which can be analysed and used by mainstream and specialised careers services. Skillfast-UK (<http://skillfast-uk.org/justthejob>), Skillset ([Skillset.org/careers](http://Skillset.org/careers)) and e-skills (<http://e-skills.com/careers>) have been conducting online and one-to-one careers support for professionals, as well as providing a variety of publicly supported careers services with updated and reliable information on their industries.

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- 2.12 Once launched, Creative Choices will seek to establish itself as the market leader for online careers support in advertising, crafts, cultural heritage, music and the arts. The technology behind the site will be available to other sectors wishing to improve the way in which industry careers support can be delivered to a more technological generation.
- 2.13 Creative Choices will support the wider work of the Adult Advancement and Careers Service, which will be fully operational from 2011, merging the services of 'Next Step' and 'Learn Direct'. The new service will drive progression in careers, working closely in partnership with Job Centre Plus. The service will rely on detailed labour market information provided by Sector Skills Councils such as Creative and Cultural Skills to ensure that it has the industry-specific information necessary to deliver focused careers advice.

#### Opening up creative industries to all backgrounds

- 2.14 This is an exciting moment for the arts and culture. As the world shrinks, cultures are moving closer together and creating new art. Migration creates challenges but it also inspires invention. Our cultural diversity is one of our great cultural assets; and that diversity is leading to new and wonderful art – whether in the theatrical brilliance of *A Disappearing Number*, the choreography of Akram Khan or the original work on show at the Manchester International Festival.

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The Sackler Centre for Education through the Arts, the V&A's centre for learning through creative design, opens in 2008. Working in partnership with universities, design professionals and others, the Museum will engage young people and adults in critical thinking about design choices made by consumers. It will encourage audiences to develop skills in design practice – from digital media and advertising to fashion and home decoration – either for pleasure, or as a step towards a career. The work will be underpinned by research to identify the impact on individuals and the creative economy.

[www.vam.ac.uk/school\\_stdnts/education\\_centre](http://www.vam.ac.uk/school_stdnts/education_centre)

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- 2.15 Diversity enriches our society and communities. But it is also a creative and business imperative. The creative industries suffer when they cannot draw on our creative people, whatever their ethnicity, gender or location. Yet the industries don't always reflect that diversity in their own employment practices. Moreover, it is not clear that the opportunities for the recruitment of unpaid young people as interns, common in most creative industries, are distributed evenly across all socio-economic groups.<sup>4</sup> We expect an important spin-off from better routes into creative careers to be an improvement in the diversity of the industry.

<sup>4</sup> Skillset survey on performing arts 2005.



### Commitment 3

## The DCMS will work with its NDPBs, and through them its sectors, to agree actions to promote a more diverse workforce

- 2.16 Ensuring such diversity will continue to require some intervention, whether through education and training, outreach work, spreading good practice or awards which recognise the most diverse firms. We will work with the industry to identify suitable projects, and fund them where appropriate. A good example of the sort of work we want to see is the cultural diversity network in the broadcasting industry, which has set targets and improved the industry's monitoring of its own diversity, and ensured greater diversity. This is a priority to the industry to find effective solutions. Other industries should consider similar approaches.

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#### **Diagonal Thinking™**

The Institute of Practitioners in Advertising is developing a new tool for launch in early 2008, to help its member agencies identify recruits from a more diverse range of backgrounds and disciplines.

[www.ipa.co.uk](http://www.ipa.co.uk)

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- 2.17 **Developing high-level skills:** The UK is a world leader in creative education. The free-flowing creativity encouraged in many British art, design and technical schools and colleges is widely recognised as having contributed to our success in the creative sector. Our best schools and colleges strongly emphasise imagination alongside the development of technical skills. They offer opportunities for students to work on 'live projects' and be taught by practitioners. They attract students from around the world, many of whom stay on in Britain and contribute to our economy.
- 2.18 These institutions have not stood still. Universities are shaping our creative industries' engagement with technology. Goldsmiths, University of London has launched a new MSc degree in Computer Games and Entertainment with the games industry, which will marry cutting-edge technological, programming and creative skills. Bournemouth University recently unveiled a new Sony High Definition Media Centre. University College Falmouth launched seven new creative subject courses in 2007, including Digital Animation and Performance Sportswear Design. And Ravensbourne College is relocating to new state-of-the-art facilities in the Greenwich Peninsula. All these institutions are part of the Skillset Media Academy Network (see paragraph 2.24). But there are other examples of such innovation. In the highly specialised field of Radio Frequency Identification (RFID), the technology behind barcodes and smart cards, the Centre of Excellence for the Automatic Identification and Data Capture Technologies will help establish the UK as the leading independent European authority. This public-private partnership, recently opened in Halifax, will bring significant benefits to the UK economy. With a global value of \$5 billion (£2.4 billion) in 2007, the value of these technologies is expected to grow five-fold in the next 10 years.<sup>5</sup>

<sup>5</sup> *RFID in Action*, IDTechEx 2007.

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#### 14-19 diplomas in creative and media, and IT

The curriculum for 14-19 year-olds is being reformed, to encourage more young people to stay on in education by providing alternative, mainly vocational routes to accredited qualifications. Among these will be 14 specialised diplomas covering all sectors of the economy, including a Diploma in Creative and Media from 2008 led by Skillset in partnership with employers, C&C Skills, Skillfast-UK, education stakeholders and awarding bodies. A new 14-19 Diploma in IT has also been developed with e-skills and employers. The first 14-19 diplomas will be available from September 2008 in over 60 locations across England.

<http://yp.direct.gov.uk/diplomas>

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- 2.19 Further education also has an important role in creative skills. Colleges offer courses in a wide range of creative subjects – many of the country's leading artists began their training at their local college. Many FE Colleges of Art and Design provide state-of-the-art facilities and courses that are particularly attractive to young people who are often hard for other educational institutions to reach. Colleges are also key partners in delivering the new Diplomas for 14-19 year olds (see box), as are Sector Skills Councils who are playing a leading role in their development.

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#### Catalyst

The Catalyst programme will create new opportunities for colleges to shape the workforce of the future. The Lifelong Learning UK programme will help recruit graduates, managers and vocational and technical experts into colleges. Catalyst will also provide new opportunities for teachers, tutors and trainers to update their skills in the industry. The programme will provide further education with a graduate scheme which matches the best candidates to the most appropriate employers, and gives participants the ongoing support and development opportunities they need to make a difference.

[www.catalystprogramme.org](http://www.catalystprogramme.org)

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- 2.20 However, there is an appetite for more. As part of the Creative Economy Programme, many university and college leaders have asked for a review of their relationship with government, the Arts Council and cultural organisations. The Leitch report<sup>6</sup> stressed the need for higher education to do more to meet the needs of business (in response, DIUS is developing a Higher Level Skills Strategy for Employers and higher education). While work placements are often part of undergraduate and professional programmes, some see a need for greater emphasis on business and entrepreneurial skills as part of creative courses, to foster enterprise skills in students.<sup>7</sup>

<sup>6</sup> *The Leitch Review of Skills: Prosperity for all in the Global Economy* – World Class Skills, December 2006.

<sup>7</sup> See *Creating Entrepreneurship: Entrepreneurship Education for the Creative Industries 2007*.

### Commitment 4

**We will conduct research to ensure that academia is equipping students with the skills they need to make the most effective contribution they can to the creative economy**

- 2.21 The UK is home to outstanding creative education and institutions, whose success is underpinned by engagement with employers in course design. But we know that there remain some gaps to be bridged. We therefore issue a challenge to industry and academia to build on their success in equipping students with the skills they need to make the most effective contribution they can to the creative economy.
- 2.22 To support this challenge, the Government has asked the Art, Design and Media Subject Centre, based in the University of Brighton, to undertake a major research project to survey the landscape of employer engagement in higher education subjects closely related to creative and cultural industries.
- 2.23 The findings of the research will help identify perceived gaps in provision based on employer needs, but it will also be used as an opportunity to demonstrate how stronger links between Higher Education institutions, Further Education colleges, creative professionals, the creative and cultural industries and the wider community can be forged.

### Commitment 5

**We will encourage employers and skills providers to set up ground-breaking new innovative places of learning**

- 2.24 We will expand the existing provision of centres of excellence in creative skills. Three new centres have recently been announced:
- The **Pervasive Media Studio**, launched by the Chancellor of the Exchequer in February 2008, has a mission to pioneer digital media. A collaboration from Watershed and HP Labs, this teaching and research studio will cover several disciplines and will work with Bristol's diverse communities, as well as the University of the West of England, the University of Bristol and business.
  - **Eastside Arts Academy** is a new creative and digital arts academy for 950 14 to 19 year-old pupils. Based in the centre of Birmingham, it will serve young people across the West Midlands, with pupils admitted on the basis of aptitude in their chosen arts area. The new academy is co-sponsored by Ormiston Trust and Birmingham City University, in partnership with Maverick Television, Birmingham City Council and others in the creative industries. It is modelled on the successful BRIT school in Croydon, which is also a partner in the project.

- **Skillset Screen and Media Academy Network:** Skillset, the sector skills council which supports skills and training for the UK audio visual and publishing industries, has brought together partnerships of universities, colleges and industry to support a screen academy network, focusing on film, and has built similar partnerships for a media academy network focusing on television and interactive media. Skillset launched the 17 new Skillset Media Academies<sup>8</sup> in December 2007, involving 21 FE Colleges and 15 higher education institutions, including Bournemouth University, Birmingham City University, Central Saint Martins College of Art and Design, Goldsmiths University of London, the National Film and Television School and the University of Teesside.<sup>9</sup> The universities and colleges were selected on the basis of the strength of their current provision and links to employers. Skillset will work with its networks to improve collaboration with industry and expand their services, including the development of an outreach programme for new entrants, industry-focused undergraduate programmes, research and development partnerships, and business support.

2.25 We will work to develop five more projects:

- A world-class **centre of excellence and finishing school in animation education**, in partnership with Aardman Animations, Skillset and the South West Regional Development Agency.
- Skillfast UK, in collaboration with Jasper Conran, Jimmy Choo and other countries are currently working on a model for a **Couture Academy**.
- Subject to the approval of a suitable business plan, a **National Skills Academy for the creative and cultural industry**, to be located in Thurrock, developed in partnership between Creative & Cultural Skills and Academy Music Group, EMI, BECTU, Royal Opera House, Live Nation, Musicians Union, Glyndebourne Opera, Arts Council England and the Theatrical Management Association.
- The Northwest Regional Development Agency, in partnership with other RDAs Skillset and HEIs across the UK, will develop a **National Centre of Excellence for Computer Games**.
- A **UK Design Skills Alliance**, supported by the Design Council and Creative and Cultural Skills, is expected to launch in spring 2008, with the aim of improving professional standards in design education and practice through a transformational programme of activities.<sup>10</sup>

2.26 We are keen to engage with other sectors to meet their technical skills needs, working through existing programmes including National Skills Academies and DIUS Capital Programme for Further Education. No single model will meet the needs of all those involved in the creative industries and those with whom they want to work. However, we encourage employers or other interested stakeholders to develop further ideas.

<sup>8</sup> Skillset Media Academies can comprise one institution or a partnership between different institutions.

<sup>9</sup> A full list is available at [www.skillset.org/training/san/sma/](http://www.skillset.org/training/san/sma/)

<sup>10</sup> The UK Design Skills Alliance is part of the design industry's skills development plan '*High-Level Skills for Higher Value*'. Developed through the partnership of leading design industry and education bodies the Alliance will support the growth and development of a highly skilled UK design sector and enhance its impact on the wider economy.

## Commitment 6

We will explore the impact of a brand new 'Academic Hub' supporting collaboration between schools, further and higher education to provide end-to-end development of creative skills for people aged from 14 through to 25

- 2.27 Creativity emerges early; it thrives with consistent support and inspiration. Some secondary schools and colleges are already geared up to provide suitable environments, and see the arts as an important part of their mainstream curriculum. However, for others, the arts have become an extra-curricular activity.
- 2.28 This could be addressed if arts faculties worked more closely with schools, teachers and pupils. This would have benefits all round. Young people are early adopters of new technologies, whose creative application offers major economic and employment opportunities. Meanwhile, secondary schools, sixth form and FE colleges need a flow of curriculum and industry input, especially in newer fields like interactive media and sustainable fashion, which universities can supply.
- 2.29 The University of the Arts London (UAL) is among those addressing the Prime Minister's call for all universities to form a close relationship with secondary schools. They have developed the concept of a '14-25 Academic Hub', which would bring UAL together with several secondary schools and FE colleges. The Academic Hub would be a focal point for:
- Sharing curriculum and facilities by schools, colleges and universities, including collaboration on the new 14-19 Creative and Media Diploma; pre-university Foundation Degree level activity in sixth forms; and the sharing of specialist course content and e-learning materials
  - Student interchange through mentoring; special shows for school pupils to introduce them to the content of degrees; and targeted support for gifted pupils and those with special needs
  - Staffing, leadership and governorship interchange, including teaching in each other's classes; continuing contact by individual staff with students from the age of 14-21; course development input; competition judging; higher education and careers advice; and management support and mentoring (including across participating secondary schools and colleges)
  - Sharing industry and community contacts, including those creative businesses near the schools and colleges, or already supporting them; UAL's 'big business' supporters engaging with secondary school pupils; and the strengthening of UAL's widening participation networks into the relevant London neighbourhoods.
- 2.30 UAL will work with DCSF, DIUS and DCMS to explore this model.

### Putting talent where it's needed

#### **Media Production Apprenticeship**

As part of the apprenticeships programme set out in commitment 2, an Advanced Apprenticeship in Media Production has recently been launched in the North-West, with funding from Northwest Vision and Media, Skillset, the BBC and the Learning and Skills Council. The Apprenticeship will allow students to combine college studies with working in TV, radio, post production, online and emerging new technologies. They could be production runners, assistants, secretaries or web assistants. The Apprenticeship will result in a Level 3 qualification and is the first time an apprenticeship scheme has been developed specifically for the media industry by the media industry. Nearly 300 young people applied for 18 month apprenticeships. Seven of the first twenty apprentices came from minority ethnic backgrounds.

[www.skillset.org/uk/northwest](http://www.skillset.org/uk/northwest)

- 2.31 **Expanding apprenticeships:** Whether in film, animation, computer games or fashion, many companies choose to develop and make products in the UK because of our level of professional skills. However, we need to ensure a continuing supply of high level technical and professional skills. And we need constantly to renew those skills – particularly in the technical and craft fields – if we are to remain globally competitive. We will work with industry to achieve this goal, which is an important part of meeting the ambitions set by the 2006 Leitch report on skills.
- 2.32 Industry itself has a critical role, working through their sector skills councils<sup>11</sup> to identify the right mix of qualifications and continuing professional development to respond to changing demands and to help individuals progress in their careers.

## Commitment 7

**Apprenticeships will be established across the creative industries for up to 5,000 people a year by 2013**

<sup>11</sup> Sector Skills Councils (SSCs) are licensed by the UK Government and by Ministers in the devolved administrations to tackle the skills and productivity challenge by sector. SSCs are independent, UK-wide organisations developed by groups of influential employers in industry or business sectors of economic or strategic significance. SSCs are employer-led and actively involve trade unions, professional bodies and other stakeholders in the sector. The following SSCs are active in the creative industries:

**Creative & Cultural Skills** – for advertising, crafts, cultural heritage, design, music, performing, literary and visual arts ([www.ccskills.org.uk](http://www.ccskills.org.uk))

**e-skills** – for IT ([www.e-skills.com](http://www.e-skills.com))

**Skillfast-UK** – for fashion, textile and apparel industries ([www.skillfast-uk.org](http://www.skillfast-uk.org))

**Skillset** – for Broadcast, Film, Video, Interactive Media and Photo Imaging (and Publishing from 2008) ([www.skillset.org](http://www.skillset.org))

- 2.33 Lord Leitch's review *Skills in the UK* set out the critical importance of skills for the continuing prosperity of the UK's economy. A key pillar of Lord Leitch's vision is that the number of apprenticeships in the UK should be boosted to 500,000 by 2020 (400,000 in England). The Government agrees and has committed, by 2013, to making available an apprenticeship place for all school leavers who meet the entry criteria. In January 2008 the Prime Minister announced that the Government's first step would establish a further 90,000 apprenticeships for young people by 2013.

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#### **World Class Skills**

The Government set out how it will support employers and individuals in investing in the skills they need to meet the needs of the changing economy in *World Class Skills*, published in summer 2007.

[www.dcsf.gov.uk/skillsstrategy](http://www.dcsf.gov.uk/skillsstrategy)

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- 2.34 The creative economy has a major part to play in the delivery of this vision. In the immediate future, Creative & Cultural Skills, the sector skills council for a range of creative and cultural industries, will establish frameworks for the new Creative Apprenticeships initiative. Creative Apprenticeships, which will be run by the new National Apprenticeships Service with support from Creative & Cultural Skills, will help companies and institutions train young people in technical and professional skills. They have been designed by employers to meet specific needs in areas such as cultural venue operations, technical theatre and the music business, creating a new route into this fast-growing economic sector. With the backing of industry and the Government, Creative Apprenticeships should also help end unpaid entry-level jobs that can lead to wider exploitation, and which give the sector a negative image.
- 2.35 Creative Apprenticeships will launch in autumn 2008, when we expect approximately 400 placements to be established, with an annual UK target of 1,000 new apprentices thereafter. Government funding will be matched by appropriate employer contributions.

#### **Building on success: 5,000 apprenticeships in the creative industries**

- 2.36 As a priority for the Creative Economy Programme, we will work with other Sector Skills Councils in the creative industries – including Skillset, Skillfast and e-skills – to broaden the range of apprenticeships available in the creative industries, both in terms of occupation (for example, by extending apprenticeships to performers) and sector. By 2013 we expect that the creative industries will provide up to 5,000 formal apprenticeships a year, subject to high quality employer places being available. Under the new flexibility for apprenticeships established in the Government's recent review<sup>12</sup>, large employers will also have the option to design their own apprenticeship frameworks, drawing from the Sector Skills Councils' 'bank' of approved qualifications.

<sup>12</sup> DIUS (2008) *World Class Apprenticeships: Unlocking Talent, Building Skills for All*.

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**Review of Apprenticeships – potential benefits for the creative industries**

The recently published Review of Apprenticeships identified the need to consider targeted financial incentives to increase the supply of employer places. In particular the Government is looking to trial wage subsidies for small employers to help offset the risks they perceive in employing young people and to help them with the wage costs of time spent training. The Government will also offer financial incentives to encourage larger employers to train more apprentices than they immediately need, which is referred to as 'over-training'. It is expected that this model will be particularly relevant to larger companies making extensive use of contractors, and which have the economies of scale to offer excellent training: they will reap the long-term business benefits of having a well-trained workforce in their suppliers.

In addition the Government plans to make available seed capital to facilitate the expansion of the Group Training Association model of delivery to new sectors. These measures will be of significant benefit to the creative industries which have an employer profile characterised by a small number of relatively large employers and a much larger number of SMEs and sole traders. Government research carried out for the review identified the sector as having significant potential for growth in apprenticeship places and will look to industry to work closely with the new National Apprenticeship Service to deliver those opportunities.

[www.dius.gov.uk](http://www.dius.gov.uk)

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**Conclusion**

- 2.37 Our challenge is to ensure our creative talent is world class, and that the creative industries have access to the full range of skills they need now and in the future. That will mainly reflect the effort and dedication of individuals. But the Government can help by supporting those with talent at all ages and through all learning routes, and by providing an environment that allows the most talented to sustain themselves in the industry.
- 2.38 We will do more to understand and analyse the contribution of our creative universities. We will explain the range of talent and skills they require and seek to ensure that all those who have talent, whatever their background, can make a career in the creative industries. We will need the support of industry to achieve all of these aims.
- 2.39 We will also work to refresh the technical and professional skills of our creative industries. The Government will play its part by committing to introducing apprenticeships in the creative industries and by supporting the establishment of centres of excellence for the creative sector industries. We will work with the creative and cultural sectors to find companies to support these apprenticeships and institutions. We will encourage industry to work through their Sector Skills Councils to identify and articulate their professional skills needs and identify or develop appropriate provision.



### 3 Supporting research and innovation

#### Challenge

Exploiting the opportunities of new technology

Removing systemic barriers to innovation

#### Response

The Technology Strategy Board will set up a £10 million collaborative R&D call for the creative industries

NESTA will launch a £3 million ‘creative innovators’ growth programme

DIUS will commission research into the value of innovation in the creative industries

The creative industries are among our most innovative. 78% of creative firms are active innovators. They are also comfortable changing strategies and even business structures in the light of market developments and technological advances. Creative firms attribute 52% of their turnover to new or improved products, compared with 40% for firms in other sectors.<sup>13</sup> So, while the creative industries translate ideas into new products and services effectively, this adaptability also puts innovation at a premium. The creative sector must stay innovative to stay competitive.

<sup>13</sup> *An Assessment of Productivity Indicators for the Creative Industries*, DCMS 2007.

- 3.1 The creative industries are by definition good at creativity – the production of new ideas – and at innovation – their successful exploitation. Nevertheless, there are challenges:
- How can we innovate quickly enough so that we exploit digital technology rather than feeling threatened by it?
  - How can we generate networks for shared intelligence and collaboration so that small and medium-sized creative businesses can benefit from research in universities and other businesses?
  - How can the creative industries stimulate innovation in the rest of the economy, including through design? The challenge confronted in the Cox Report<sup>14</sup>.

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#### **Design and creativity**

Design and creativity are fundamental to innovation. Following the *Cox Review of Creativity in Business* in 2005, greater use is being made of the nation's creative skills and more is being done to ensure the UK's long term economic success. New university courses are nurturing business innovation by bringing design, business, science and technology together to prepare future generations of creative specialists and business leaders; the Design Council's *Designing Demand* programme will support 6,500 firms across the UK by 2010/11 in the strategic use of design to drive innovation. More recently, Lord Sainsbury's Review of Science and Innovation Policy recommended that the Designing Demand Innovate service (a design-led innovation service for technology ventures) be extended to the university knowledge transfer sector, in order to strengthen the link between UK industry and the science base.

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#### Exploiting the opportunities of new technology

- 3.2 The creative industries must rise to the challenge offered by digital technology, with its many potential pitfalls and opportunities. The transition from the analogue to the digital world is transforming the distribution of content. It is also making it much harder to manage and value intellectual property. It is creating new business models and changing the value chains upon which they depend. It is demanding new skills, whilst cutting the costs of production and distribution. While all this is most evident in the content-based industries of software, games, music, television, radio and film it has equally profound, if less obvious, consequences for architecture, design, fashion and advertising. If they are to prosper from these changes, the creative industries must have the strategic ability to understand the impact of new technology and the practical ability to exploit it.

<sup>14</sup> Cox Review of *Creativity in Business*, HM Treasury 2005.

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#### **AHRC's Knowledge Catalyst: enabling micro-enterprises to benefit from university research**

The AHRC's Knowledge Catalyst supports small companies in the creative industries to access world-class quality research in the arts and humanities. The programme provides flexible funding for a graduate to work in the enterprise together with an academic supervisor based in a Higher Education Institution on projects of between three and 15 months. Recent success stories in innovation include a partnership between the University of the West of England and Licorice Film Ltd where research in interactive narrative was employed in the production of the new online Alternate Reality Game MeiGeist, voted best ARG of 2007.

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- 3.3 **Enabling access to technology:** While small businesses are often among the most innovative, they may also be the least able to afford access to new technology. The Creative Economy Programme Working Group on Technology noted that the 'cost of access to new delivery platforms such as games consoles and 3G networks is prohibitively high for many small-scale creative industries and there is a need for low cost access to test and development facilities.' We will work to bridge this gap, drawing on the lessons from programmes such as London College of Fashion's initiative to give designers access to advanced pattern cutting tools (see box).

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#### **Enabling small and medium-sized enterprises (SMEs) to access technology: case studies**

Animation: Southwest RDA funds two partnerships with Hewlett Packard and Alias that is creating SE3D, a facility giving filmmakers, games developers and animators access to remote computer power over the internet. SE3D offered 12 groups of UK animators access to a new rendering service for computer graphics, accompanied by workshops and mentoring. The resulting films have won international awards and HP has gained valuable insights into developing computer services for small businesses.

[www.southwestrda.org.uk](http://www.southwestrda.org.uk)

Pattern cutting: The London College of Fashion allows recent graduates to use modern pattern-cutting tools and a range of CAD/CAM technologies which the graduates could not otherwise afford. Such practical help to graduates making the transition from learning to work ensures that the tools and technologies they use keep pace with best industry practice. It also helps to raise the prestige of the College within the industry and among potential students.

[www.fashion.arts.ac.uk](http://www.fashion.arts.ac.uk)

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- 3.4 **Supporting innovation:** As in other sectors, public funding delivers spin-off benefits for research and development. We will therefore introduce two new initiatives: one to increase collaborative research in the creative industries and another to help small companies that want to build a business based on innovation.

## Commitment 8

**The Technology Strategy Board will provide £10 million to inspire new collaborative research and development ideas for the creative industries.**

- 3.5 The Technology Strategy Board<sup>15</sup> has a mission to promote and support research into technology and innovation, and its development and exploitation, for the benefit of UK business, in order to increase economic growth and improve the quality of life.
- 3.6 The Technology Strategy Board is providing £10 million to inspire new and collaborative research & development (R&D) through a package of measures specifically designed to engage small creative firms. Collaborative R&D is one of the Technology Strategy Board's primary delivery mechanisms. It helps the business and research communities to work together on R&D projects in strategically important areas of science, engineering and technology, from which successful new products, processes and services can emerge. While the focus for this programme, which is specific to the creative industries, will be on the underlying technology challenges and opportunities facing the sector, its theme will be shaped through consultation with industry and researchers.
- 3.7 As the recently published McMaster report on excellence in the arts recommended, we will seek to ensure that the full range of creative and cultural SMEs have access to this invaluable new network, in partnership with the Arts Council and other NDPBs.

## Commitment 9

**NESTA will launch a £3 million 'Creative Innovators Growth Programme'**

- 3.8 The National Endowment for Science, Technology and the Arts (NESTA), a lottery endowment whose aim is to support talent, innovation and creativity in the UK, aims to transform the UK's capacity for innovation by investing in early stage companies, informing innovation policy and encouraging a culture that helps innovation to flourish.

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### **Innovation in new business models**

Rapid progress in digital technologies is changing the way information is produced and exchanged in the economy. New and increasingly affordable software formats, innovations in hardware and faster broadband are challenging business practices. Convergence is muddying distinctions between publishing, broadcasting and telecommunications. Some consumers – increasingly able to access content through multiple platforms – are pushing hard at the boundaries between production and consumption of content. These developments have profound implications for the creative industries – most obviously in the advertising, film, television and radio, music, software and games sectors. The British Phonographic Industry estimates that digital downloads now account for more than 90% of all music single sales in the UK, up from 5% in 2004.

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<sup>15</sup> The Board is a business-led executive non-departmental public body, established by the Department for Innovation, Universities and Skills (DIUS).

- 3.9 NESTA will launch a £3 million Creative Innovators Growth Programme in 2008, to improve the capacity of growth-oriented small and medium-sized creative enterprises to innovate. Three sector-specific pilots will explore new business models that enable creative businesses to exploit new technologies or other sources of major structural change. The programme will generate evidence to help identify what specific support is required by creative businesses.
- 3.10 We expect the first pilot to be launched on 12 March in partnership with the UK Film Council. The pilot will pioneer new business models that enable film companies to make the most of digital technology.
- 3.11 In a similar vein, the Department for Innovation, Universities & Skills (DIUS) is developing a strategy to promote and support knowledge transfer within the wider further education reform agenda.
- 3.12 **Encouraging better networks:** Creative businesses are more likely to collaborate and form partnerships than other sectors.<sup>16</sup> They may do so through networked associations, interactions or collaborations, but much creative business development depends on this kind of process, where ideas and innovations emerge and are pursued iteratively. Such networks are often achieved by clustering, and their impact can be very significant where they are extended to include universities or large, well-resourced companies.

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#### South East Media Network (SEMN)

Set up in 2005 to 'grow the global market share of the digital content companies from the South East of England', SEMN has been driven by an industry board comprising Reed Business International, Microsoft, ITV, Kuju (a games developer), Ambulant (mobile), Sly Fox Films (film and TV production) and Jack Brand (online content).

SEMN has been funded by SEEDA, the regional development agency for the South East, in an innovative approach to arms length support for the digital content industry sector. The network sets priorities and activities with the board in collaboration with the 26 members of the SEMN Council who are drawn from national trade associations, local networks and the regional screen agency, Screen South.

[www.southeastmedianetwork.co.uk](http://www.southeastmedianetwork.co.uk)

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- 3.13 Infrastructure is often the most important issue for national, regional and local government. Their role can be to encourage networks between creative businesses, which can help to turn innovative ideas into new products, and to market them. These networks are particularly important at regional and sub-regional level in the fast moving world of new media: examples include the South East Media Network, 3CR in the South West, and Digital Central based in the West Midlands. In Salford, the new Media City will not only have space for over 1,000 creative businesses, it will provide infrastructure for them to develop networks within the 200 acre site. (See box in chapter six)

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**Archives strategy**

The wealth of material held in archives across the country can inspire, support and enhance the creative life of the nation. These archives constitute our collective memory. In October we demonstrated our commitment to preserving our screen heritage with the announcement of an additional £25 million for national and regional film archives led by the UK Film Council and the British Film Institute.

The National Archives, working with the Museums, Libraries and Archives Council and other key partners, is preparing a strategy for archives which the Government will publish in the course of 2008. The strategy will seek to preserve archives of all kinds; ensure the ongoing archiving of key events; and exploit their creative potential. This strategy will also address the historic, but now redundant, separation between digital and paper archives and set out a programme to maximise the benefit of archives for their creators and users, and for the creative and cultural sector as a whole. The strategy will help demonstrate the growing importance of archives in a digital society. The Department for Culture Media and Sport, Department for Communities & Local Government and the Ministry of Justice will pursue the strategy together with Ministers and key stakeholders meeting regularly to ensure progress.

[www.nationalarchives.gov.uk](http://www.nationalarchives.gov.uk)

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- 3.14 There is still plenty of room for improvement. A NESTA survey in 2006 reported that 60% of small creative businesses had never been involved in a business-related network.<sup>17</sup>

**Commitment 10**

## The Technology Strategy Board will launch a Knowledge Transfer Network for the creative industries

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**AHRC Creative Economy Programme**

The AHRC will invest £4.5 million in a Creative Economy Programme to support and stimulate innovation in the creative industries. Launching in 2008, the programme will address barriers to innovation through providing access to hitherto untapped excellent research, networks and people in the arts and humanities. Working closely with the Technology Strategy Board's Knowledge Transfer Network for creative industries, the AHRC will bring together non-technological and technological innovation through novel collaborative R&D and knowledge exchange models that have been successfully piloted in partnership with BBC Future Media and Technology.

[www.ahrc.ac.uk](http://www.ahrc.ac.uk)

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- 3.15 The Technology Strategy Board will launch a Knowledge Transfer Network (KTN)<sup>18</sup> for the creative industries to help industry to access the knowledge and information that will improve innovation. The new network will help make the necessary connections between the key players by bringing together creative businesses, technical experts, suppliers, other related firms, customers, universities, research and technology organisations and other intermediaries. The results of a competitive process to identify the consortium to set up and manage the KTN will be announced in early 2008.

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**NESTA Arts & Innovation Research:** NESTA is leading a major programme of research on innovation in the creative industries. In one project, the Institute of Innovation Research at the University of Manchester is investigating the nature of innovation in the advertising, broadcasting, product design and video games sectors. Emerging results suggest that new metrics are needed to capture innovation in these sectors.

In other projects, the focus is on understanding spillovers. Experian and Oxford Brookes University are using quantitative techniques to explore whether knowledge transfer through business-to-business links with creative businesses stimulates innovation in other sectors. Central St Martin's College of Art and Design is leading a longitudinal study of how fine arts graduates contribute to innovation through their work practices and experiences.

[www.nesta.org.uk](http://www.nesta.org.uk)

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- 3.16 Following the recommendations of the Sainsbury Review, the Technology Strategy Board<sup>19</sup> will double the number of Knowledge Transfer Partnerships<sup>20</sup> it facilitates, while making them more flexible and responsive. Creative businesses, particularly small firms, should benefit substantially as a result.

#### Removing systemic barriers to innovation

- 3.17 The contribution made by the creative industries to the UK economy is substantial and growing but business support has not always been designed with these emerging business frameworks in mind. The pressures are particularly intense in the computer games industry where they are striving in the face of growing global competition and distorting tax subsidies. We need to better understand the benefits of the kind of innovation common in the creative industries: innovation that produces real value but not necessarily new technology or new products. This is particularly relevant to industries that protect their intellectual property primarily through copyright and other, typically unregistered, rights rather than patents.

<sup>18</sup> KTNs were developed in response to the DTI's Innovation Review ([www.berr.gov.uk/files/file12093.pdf](http://www.berr.gov.uk/files/file12093.pdf)), which identified access to networks and sources of new knowledge as two of the most important determinants of business innovation performance.

<sup>19</sup> The Technology Strategy Board is the lead sponsor for this programme, but it is also funded by a number of other bodies including the AHRC.

<sup>20</sup> Knowledge Transfer Partnerships facilitate one-to-one relationships between companies and higher and further education institutions, by sponsoring high-calibre, recently-qualified individuals to work in companies on challenging, business-related projects. See [ktonline.org.uk](http://ktonline.org.uk)

### Commitment 11

The Department for Innovation, Universities & Skills will commission research to better quantify the economic benefits of the creative industries, with special attention to the value added by innovation in those industries







- 3.18 DIUS, in the context of its forthcoming science and innovation strategy to be published in spring 2008, will commission research to better quantify the economic benefits of the creative industries with special attention to the value added by innovation in those industries. The goal will be to identify the best targeted financial and business support environment and for DIUS to inform future business innovation policy.
- 3.19 The Government will also increase awareness of the current R&D tax credit scheme and investigate how to make it more user-friendly for small businesses, with a particular focus on the video games industry.

### Conclusion

- 3.20 The challenge is to help the creative industries be even more innovative. The Technology Strategy Board, with co-funding from the AHRC, will launch a new £10 million call for ideas for collaborative R&D in the creative industries. It will also launch a Knowledge Transfer Network to enhance the vital connections between business, research, consumers and technical experts needed for innovation to flourish. NESTA will launch a £3 million programme to help build the innovation capacity of creative businesses with the potential to grow. And the Government will continue to examine its innovation and tax support policies to ensure that the creative industries – including the games sector – can benefit from them.



## 4 Helping creative businesses grow and access finance

Challenge	Response
 <u>Exploiting 'spillovers'</u>	 Arts Council to promote creative economy objectives
 <u>Raising business skill levels</u>	 Establish Business Link regional beacons network
 <u>Making finance flow better</u>	 Encourage creative industries to bid for Enterprise Capital Funds, delivering increased investment flow into the creative industries

Businesses, rather than governments, create jobs. So government intervention should be sparing. However, the creative industries are now a central engine of our economy, driving innovation, and they contribute above their weight to the vital task of growing the economy. The Government recognises that we need to cherish the contribution of the creative economy and to work pro-actively with the industry to meet and, where possible, anticipate their needs in the areas where government can make a contribution.

While it will always be the businesses themselves that lead and create the ideas which lead to jobs and wealth for the country, the Government has identified three key areas where we can help, and the Creative Economy Programme will be alert and listening to the industries themselves to identify more as appropriate.

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- Only 35% of creative SMEs use formal business planning techniques
  - Fewer than one in five business managers in the music industry have any professional mentoring in business techniques
  - A third of creative businesses with an annual turnover of more than £1 million have no explicit financial goals.

**NESTA 2006**

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- 4.1 Smaller creative firms share a number of special characteristics and creative processes that combine to produce some distinct business models. Many creative businesses are driven by talent and the interaction of ideas. They often rely on relatively informal networks and project-based working, and have a higher degree of 'hit or miss' outcomes for any individual project. Moreover, particularly in the digital media, their business models are subject to rapid and continuing change.
- 4.2 We need to understand these characteristics better if government policies, especially those for business support and access to finance, as well as regulation, are to meet the needs of creative businesses. DIUS's science and innovation strategy will contribute to our understanding of the overall drivers to success. And we also need to develop a better understanding of the particular circumstances affecting businesses with the potential for substantial growth.

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The Prime Minister has established a Business Council for Britain comprising 16 senior business representatives, to advise the Government on how it can best promote the long-term health of the UK economy. The Council will:

- Examine the progress the Government is making to improve the business environment in areas critical to the future of the economy
- Advise the Government on its policies and priorities
- Conduct its own reviews on the areas it believes will determine the future economic well-being of the UK; and, where issues are particularly important, the Council will have the power to establish Special Commissions to make recommendations for reform.

The Council is chaired by Mervyn Davies of Standard Chartered Bank.

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- 4.3 With this better understanding, the Government and its partners can adapt their programmes progressively to support successful creative industries, both emerging and established businesses. The Business Support Simplification Programme provides an important context for this.

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The Arts Council's *Own Art* and *Take It Away* schemes have made it easy and affordable for everyone to own contemporary works of art or musical instruments.

[www.artscouncil.org.uk/ownart](http://www.artscouncil.org.uk/ownart)

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#### Exploiting links with the cultural sector

- 4.4 As the Work Foundation argued in *Staying Ahead*, the creative and cultural sectors enjoy a symbiotic relationship. Our rich cultural infrastructure and diversity has contributed to the UK becoming a thriving hub of the creative industries (clusters, examined in more detail later in the document, have a part to play here). Indeed, over the last 10 years, one achievement of the Arts Council has been to break down the barriers between the cultural sectors and the creative industries. Of course, EMI and the Sinfonietta still have their differences. Many creative businesses would never dream of seeking subsidy; many theatres, opera companies and orchestras depend on it. In the middle, however, there is a space where subsidy and profit meet, with artists and organisations that are thriving in the mixed economy. The Arts Council deserves much credit for making that middle ground habitable.

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Investment in artistic excellence can lead to outstanding commercial success in its own right. The *History Boys* and *The Madness of King George*, for example, started at the National Theatre before achieving success on the screen. Dame Judi Dench, Stephen Frears and Nicholas Hytner have all noted how the commercial success of our film industry depends on the health of our publicly supported theatre.

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- 4.5 Arts Council England now proposes to do more to build on that achievement. Its primary aim is to support access to artistic excellence. However, public funding for the arts is a powerful stimulus for the creative industries: for example, in developing skills, providing networking spaces, and underwriting risk which the financial market would not accept.

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#### **Advantage Creative Fund**

The Advantage Creative Fund invests up to £250,000 into creative business in return for an equity stake. All profits from its investments are retained and used to make further new investments in the future. The Fund's investments have covered initiatives in a wide range of areas since its establishment in 2003, including film production and animation, software, television and new media businesses.

[www.advantagecreativefund.co.uk](http://www.advantagecreativefund.co.uk)

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## Commitment 12

### Arts Council England will help to deliver the objectives of the Creative Economy Programme

- 4.6 Arts Council England will, therefore, take account of the Creative Economy Programme's findings and commitments in its next corporate plan and its other work. Arts Council England will continue to support creativity through its regularly-funded organisations, its education and skills programmes, and through targeted support for projects that combine artistic excellence and commercial growth. DCMS has also asked other bodies to recognise the impact their investments and policies have on the creative economy and incorporate plans to maximise their benefits into their corporate strategies.

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#### Social enterprise

Particularly for smaller businesses, social enterprise provides an attractive business model, which affords financial sustainability for individuals and small groups of workers, allows businesses to maintain a focus on creative and artistic as well as commercial objectives, and which can readily encompass commercial and social ambitions within a single business entity.

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- 4.7 Arts Council England will also continue to work with the Regional Development Agencies (RDAs) to learn from current creative industry financing initiatives and to extend its support for small creative enterprises. Arts Council England runs venture capital schemes specifically targeted at entrepreneurs in the cultural sector who wish to move from reliance on grants to developing successful businesses.

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The Creative Economy Working Groups and discussions with industry have improved understanding of the issues involved and how to approach them. This has included developing ideas for categorising the industries when considering their needs for finance and other policy interventions: a good example is the three-part taxonomy identified by Bates and Rivers for distinguishing between businesses involved in creating content, in creative process and in media.

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- 4.8 The Cultural Leadership Programme, one of Arts Council England's education projects, will expand its relationships with commercial and business partners to train future senior managers of arts and cultural institutions. This will help them to maximise their financial return on commercial activities, generating further revenue for their creative work.

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#### Raising business skills levels

- 4.9 The diversity of the creative sector is reflected in its range of businesses. It includes multi-national corporations, industries characterised by a high proportion of SMEs (for example, architecture, fashion, crafts) and others which include a spread of large and small businesses (notably software, publishing and television<sup>21</sup>). Yet most creative sector businesses are small, with many sole traders or firms employing only a handful of people. Creative industry workers are more than twice as likely to be self-employed as the whole economy average.<sup>22</sup>

21 Proportion of employment accounted for by UK-owned SMEs: Designer fashion 96%, Architecture 92%, Software and computer games 57%, TV and radio 28%, Publishing 28%. Source: *Creative Industry Performance: A Statistical Analysis for DCMS*, Frontier Economics August 2007.

22 *An Assessment of Productivity Indicators for the Creative Industries* DCMS, August 2007.

This diversity is one of the drivers of the sector's success, with start-up companies accounting for 48% of creative industry growth between 1995 and 2005, most of it in the first year of trading.<sup>23</sup>

- 4.10 However, this can also make the sector vulnerable to many of the problems affecting small businesses generally. There can be a lack of business planning, inadequate access to the latest technology, vulnerability to business cycles, and an unsophisticated relationship with the finance sector. At the same time, new technologies and diminishing barriers to trade mean that even small creative businesses now find themselves competing in a global economy.

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#### Own It

Established in 2004, Own It, based at the University of the Arts in London, attempts to address the growing needs of creative enterprises to make the most of their intellectual property rights. Funded by the LDA, Own It works across London's creative sector, advising freelancers, entrepreneurs and small businesses on how to retain, defend, negotiate, value and exploit their intellectual property.

[www.own-it.org](http://www.own-it.org)

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- 4.11 There is mixed evidence about the extent to which the creative industries experience specific or greater business support issues. Many creative industry firms have no business plan (39%), no training plan (64%) or no training budget (70%),<sup>24</sup> all of which can limit their business success. However, these figures are broadly similar for other firms. A separate study<sup>25</sup> found that the proportion of creative small firms using formal business planning techniques is just 35%, fewer than one in five business managers in the music industry have any professional mentoring in business techniques, and a third of creative businesses with an annual turnover of more than £1 million have no explicit financial goals. Although the evidence does not point to greatly different problems for creative small firms compared to those elsewhere in the economy, this absence of business planning and training has been raised consistently throughout the industry consultation of the Creative Economy Programme. All of this suggests that an approach to business support that acknowledges and understands the underlying characteristics of the creative industries is needed. Moreover, some parts of the creative industries – notably fashion – lack a coherent body to argue their corner. We will look at how these issues might be addressed. For example, the Government will explore the need to support the British Fashion Council (BFC) to build on its existing strengths to become the **central voice leading the fashion industry**, ensuring any new role is sustainable and supported by business.
- 4.12 There is a shortage of specialist marketing skills, sampling and production support in London. We will help London College of Fashion, the BFC, Skillfast and others to scope a project to develop a **High-Fashion Hub for London** offering the specialist skilled workforce and machinery essential for this. Run by partners and linked to existing sampling/production facilities, the project is intended to be a model for the fashion sector elsewhere in the country.

<sup>23</sup> Frontier Economics Analysis of Firm Level Growth in the Creative Industries August 2007.

<sup>24</sup> An Assessment of Productivity Indicators for the Creative Industries DCMS, August 2007.

<sup>25</sup> Creating Growth – How the UK can develop world class creative businesses NESTA, 2006.

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### Train to Gain

The Train to Gain service, through its network of Skills Brokers, can help creative industries find the right business development tools and training courses they need to enable their businesses to thrive. The recent Learning and Skills Council Train to Gain Plan for Growth (November 2007 – July 2011) announced that the service will be extended to include the self-employed and the voluntary sector. It also announced a new compact with each Sector Skills Council, including those serving the creative industries, to improve its work with each sector.

[www.traintogain.gov.uk](http://www.traintogain.gov.uk)

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- 4.13 The Government will also work with D&AD<sup>26</sup> to help develop a dialogue with the design, advertising and communications industry to understand its challenges more fully, and how government can support its growth.

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### The Crafts Council

The crafts sector employs nearly 100,000 people and has a turnover of £826 million. The industry is supported by the Crafts Council, the main advocacy body for the sector, which is funded by Arts Council England. The Crafts Council has recognised the importance of crafts to the creative economy: their new strategy aims to 'build a strong economy and infrastructure for craft throughout the country'. The Crafts Council is supporting craft makers by raising their profiles with international design makers, with an annual showcase of UK and International makers, Origin, among its activities. Origin creates a platform for craft makers to exhibit their work and is therefore steadily contributing to England becoming a global centre for innovative craft work.

[www.craftscouncil.org.uk](http://www.craftscouncil.org.uk)

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- 4.14 The Government offers access to business support for new and small companies through Business Link. We will now ensure that where there are clusters of creative industries, that support includes specialists who understand the creative industries and their specific needs.
- 4.15 **Improving business orientation:** The familiar problems facing small enterprises are often compounded in the creative sector because of the risky, innovative nature of its product. Much of the value of the creative industries is vested in intangible assets, whose worth is difficult to calculate, predict or protect. Many working in the creative sector are motivated by creative rather than commercial ambition; they may not even see themselves primarily as businesses. A better understanding by the financial sector and among business support providers of these characteristics would help nurture the creative sector in our economy.

<sup>26</sup> An educational charity that represents the global creative, design and advertising communities.  
[www.dandad.org](http://www.dandad.org)

- 4.16 **Increasing the take-up of business support:** Many small creative businesses do not understand or access business support or external business expertise. So, we need better targeting and marketing of such support together with simplification of the different support services locally. The Business Support Simplification Programme is intended to offer a clear route to business support through Business Link for all businesses, simplifying the current mass of confusing provision. But within this overall framework, RDAs can foster the development of local creative economies, for example by supporting the creative industries through Business Link and through the deployment, marketing and communication of the business support available. We intend to pilot this approach through an RDA network of regional beacons for the creative industries.

### Commitment 13

## **The Regional Development Agencies will establish a network of regional beacons for the creative industries in the South West, South East, North West, North East and West Midlands**

- 4.17 The RDAs will develop a network of business support leads for the creative industries to ensure the best services are delivered to the creative economy. RDAs in the South West, South East, North West, North East and West Midlands will ensure that they maximise the impact of business support for the creative industries by:
- raising awareness to ensure that the sector knows what is available and how to access it
  - forging links with specialised providers and mentors
  - developing and disseminating best practice in meeting the needs of the sector
  - assessing the effectiveness of support for the creative industries by collecting and analysing data

### Improving access to finance

- 4.18 The UK finance market is rated third best in the world for supporting business funding needs.<sup>27</sup> However, the Annual Small Business Survey (2005) estimates that around 25,000 businesses are still unable to secure finance. At the same time, it is generally recognised that the relationship between the creative industries and venture capital is much less fully developed and productive in the UK than it is in the US. So we can do better.
- 4.19 **Financial Awareness:** Potential investors encounter difficulties in assessing the real and potential value of creative firms' intellectual property. During the course of the Creative Economy Programme, business has also argued that the finance markets are reluctant to engage fully with the complex risks and opportunities that characterise some of the faster-changing industries within the creative sector. *The Gowers Review of Intellectual Property*<sup>28</sup> recommended that the Government 'should consider whether guidance for firms on reporting of intangible assets could be improved, including the provision of model IP reports'. The Department for Innovation, Universities and Skills is taking this recommendation forward. It will have a particular relevance for creative businesses.

<sup>27</sup> Milken Institute Capital Access Index 2006.

<sup>28</sup> *Gowers Review of Intellectual Property*, December 2006. [www.ipo.gov.uk](http://www.ipo.gov.uk)

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**Enterprise and the creative industries**

The Government will launch an Enterprise White Paper later in 2008, which will set out a vision of enterprise in the UK for the next decade. An important consideration will be how government might help build an enterprise culture across the whole economy, helping support the creative industries.

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- 4.20 In a sector where so much value is in the new, the bespoke, or the untried, it is inevitable that there will be issues for investors in assessing risk and for entrepreneurs in raising finance. But part of the problem may be simpler. A Treasury analysis of October 2003 identified many creative small businesses as 'lack[ing] the skills needed to develop a business proposal to a stage where it is ready to attract external investors'.<sup>29</sup>
- 4.21 Evidence suggests that this lack of sophistication in the dialogue between small creative business and finance reduces the sustainability of firms rather than preventing their initial formation. The Creative Economy Programme Working Group on Business Building Capacity commented that 'the most significant challenge for growth in the creative industries is not at the start-up stage, but rather amongst established SMEs (small and medium enterprises) aged three years or more, stuck at the limits of a lifestyle model of working with a turnover of £300-£400,000 and eight to ten staff'.
- 4.22 **Investment Readiness:** The attitude of owners to ownership is another problem. Creative businesses are often an expression of the highly personal creativity of their founders and owners. More so than many of their counterparts in other economic sectors, they may not wish to have their vision or style of business diluted by the extraneous demands of equity finance partners. They may therefore limit themselves to debt financing.
- 4.23 This, in turn, may put them at a further disadvantage, since many small creative businesses have relatively few tangible assets against which to raise finance. Their real value is almost exclusively dependent on intangible assets. Even where these can be valued accurately and potentially resold, they may still offer poor security for lenders: in the event of the firm's failure, it is often very hard to raise enough from the sale of those assets to offset the firm's debt.
- 4.24 The themes of investment readiness and financial awareness are not unique to the creative industries. They form a fundamental part of the Government's business support offer. Business support in these areas is critical to enabling many small businesses both to establish themselves and to grow. Businesses that have received expert external advice are over 40% more likely to aim to grow their business in the following two to three years than those that have not. However, only a quarter of UK businesses seek advice on business matters each year.
- 4.25 Working through the RDAs, the Department for Business, Enterprise and Regulatory Reform (BERR) is committed to addressing the lack of financial awareness, understanding and formal investment readiness of new and growing businesses. This will include creative businesses. The Business Support Simplification Programme is the key to energising this change.

<sup>29</sup> *Bridging the Finance Gap: Next Steps in Improving Growth Capital for Small Businesses.* HM Treasury, 2003.



- 4.26 BERR and the RDAs will also ensure that our creative industries benefit from the support provided through Business Link, by ensuring sector-specific monitoring of their take up of business support and finance, and its effectiveness. RDAs recognise where creative industries play a role in their regional economies and will use the programme – together with emerging best practice – to ensure that creative businesses are in the best position to obtain necessary finance by equipping them with the right business skills to secure both debt and equity more easily.

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**Investor-ready project for the London film industries**

The London Development Agency, the UK Film Council and Film London have formed a partnership to pilot a project designed to make a small number of London-based film production companies more attractive to investors. A business opportunity has been identified in the unfulfilled ambition of private equity funds to invest in UK film production. The UK film production sector clearly requires further business development to secure that investment. This new partnership aims to work with film companies who are willing and able to rise to the challenge and to overcome the current structural and financial obstacles which are currently deterring investors.

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- 4.27 **Increasing the availability of finance:** The Government also recognises that there is a finance gap at the smaller end of the market, in both debt finance and equity. The Small Firms Loan Guarantee (SFLG) enables businesses with a viable business proposition, but without sufficient security, to secure debt finance. Around 9% of SFLG loans are to businesses from the creative industries and participating lenders are now considering innovative uses of SFLG to improve their ability to serve new markets.

**Commitment 14**

**We will encourage bids for Enterprise Capital Funds from the creative industries – expecting to see increased investment flows as a result**

- 4.28 The Government provides equity fund support through the Enterprise Capital Fund (ECF) programme. ECFs are commercial funds that invest a mix of private and public money in small high growth businesses seeking up to £2 million in risk capital. The funds are already investing in a range of creative industries, including software, digital content and film. Around 25% of businesses supported under BERR’s ECF programme are creative businesses.<sup>30</sup> The Chancellor has announced three further rounds of funding for ECFs of £150 million over the next three years. The Government welcomes applications to the Enterprise Capital Funds from all sectors of the economy, including creative industries. The UK Film Council will submit a bid to the next round of ECF with the ambition of setting up a fund focused on investment in the audiovisual sector of the creative industries.

<sup>30</sup> 17 businesses have received investment. Four of these are creative businesses, covering film (including special effects software), software entertainment, and computer graphic design

- 4.29 We have received some anecdotal evidence from the creative industries that they have experienced particular difficulties in securing equity finance that are not, on the whole, faced by other sectors of the economy. However, other evidence gathered suggests that creative businesses are more likely to suffer from issues of investment readiness (which we aim to tackle through our business support programme as discussed above) than any equity gap specific to the industry and current equity finance support seems to be catering well for the creative industries. We would therefore welcome further economic analysis from the industry to demonstrate the existence of particular challenges experienced by them in securing equity finance that are not, on the whole, faced by other sectors of the economy.

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#### **Contribution of the advertising industry**

Advertising is the third largest creative industry. In 2005, the industry's GVA – a key economic measure – was £6.5 billion and exports totalled £1.3 billion (*DCMS economic estimates*). It plays a vital role, promoting iconic UK events globally, including Live8 and The Tour De France 'Le Grand Depart'. It will also play a crucial role in promoting London 2012.

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#### **Conclusion**

- 4.30 The challenge of government is to put the creative economy at the centre of its economic framework, including measures to support and develop small businesses, recognising both the importance of allowing the creative industries to continue to lead and develop policy thinking and the way this best translates into creative action.
- 4.31 For small creative businesses and start-ups, there is an area of investment where the public sector can play a part – through the Art Council's investment programmes and the work of other funders and NDPBs such as the UK Film Council, Museums, Libraries and Archives Council, RDAs and local authorities among others.
- 4.32 As creative companies develop, the Government needs to make sure that our business support and venture capital policies are accessible to the creative industries and fit for purpose. This might include experts who understand the specific needs of the creative industries working in the Business Link system in line with the Business Support Simplification Programme principles.

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#### **Film London Production Finance Market**

Launched in October 2007, the Film London Production Finance Market (PFM), hosted in partnership with The Times BFI 51st London Film Festival, offered a unique opportunity to introduce new and maintain existing finance to London and the UK film industry. Attended by 70 high-end financiers (including major hedge-fund players) and 70 UK and international producers, the first market attracted projects over a total value of US \$800m. Like all Film London events, the PFM invited producers from around the UK.

Feedback from producers and financiers alike has demonstrated that there is a 'gap in the market' for an event which offers the UK film industry access to major new finance. Film London looks forward to building on the success of the pilot year when the PFM returns to London on 20-21 October 2008 with The Times BFI 52nd London Film Festival.

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## 5 Fostering and protecting intellectual property

### Challenge

Improving IP enforcement

Improving IP awareness

### Response

IP in the curriculum  
Awareness campaign

Legislation on illegal file sharing  
Online IP crime fund  
'Fake Free' London  
National Centre of Excellence

One area of the regulatory framework with which most creative industries are concerned is intellectual property. IP rights are the catalysts which help turn creative activity into creative products and services. The UK IP regime delivers protection beyond international norms, but new digital technologies challenge the traditional means of managing and valuing intellectual property.

While continued legal protection for creativity is essential, the Government must also respond to a market that is creating radical new opportunities to which consumers are responding with enthusiasm. Our regime must ensure that new innovations can be spread widely so consumers can benefit while providing the right incentives for creators to create. All intellectual property is a balance between encouraging innovation and ensuring it can be spread as widely as possible. We need to ensure that our regime continues to evolve to achieve that balance, so consumers can benefit from the huge explosion in content that is underway, while giving the creators the right incentives to create.

To achieve this we must continue to take action on a number of fronts. We need a balanced IP framework relevant to today's world. We need new business models which recognise changes in technology – and their democratisation of content – yet capture the value provided by content producers and distributors. We need the right enforcement tools in place to tackle IP crime. We need to improve education and understanding of IP. And we need to anticipate technical developments that will further challenge IP enforcement.

### New business models

- 5.1 As the Gowers Report observed in the context of anti-piracy activities, the Government prefers voluntary solutions between content owners and network operators rather than regulation. We would like to see co-operation extended to new business models that enable innovative commercial services, enhancing choice and value for money. The business imperative for collaboration between content owners and distributors is becoming increasingly important for two reasons:
- Content owners are seeking to offset the decline in their traditional revenues from unit sales of CD and DVD downloads by developing new models.
  - Network operators, having invested considerably in infrastructure and faced with an increasingly standardised access charge as their primary revenue, are seeking ways of generating incremental revenue. They see content as providing extra value and as a way to differentiate their services from those of their competitors.
- 5.2 There is already commercial collaboration in the market place. We believe that the integration of anti-piracy measures into a wider collaboration between content and network providers could create a healthier digital environment which would benefit consumers and creators. We are encouraged to see attempts at commercial solutions to the problems of piracy involving collaboration between rights holders and ISPs, and look forward to the further development of these types of solutions.

### Improving IP enforcement

- 5.3 Since most of the value of the creative sector derives from intangible assets, creative businesses must be able to value them accurately and have confidence that they will be vigorously defended under the law. This is particularly important for the UK creative sector, which has more content producers than distributors. A recent London Business School study noted that 'Content distributors (studios, record labels, publishers) are bigger and more powerful than content creators. As a result, distributors capture much of the value that producers of creative content generate'.
- 5.4 Although the relationship between producer and distributor is usually mutually beneficial, the continuing success of the creative industries depends heavily on clear terms of trade and a robust regime of intellectual property regulation.
- 5.5 Online IP infringement, in particular, continues to grow. If creative artists cannot earn a living as a result of their work, then our creative industries will not thrive.
- 5.6 Recent action, such as steps to expand the powers of Trading Standards Officers to help tackle IP crime – for which ongoing funding has been secured, including almost £8 million funding for 2008/09 with further increases to come over the next three years – and the initiatives being taken forward under the National IP Crime Strategy demonstrate our commitment to tackling these issues. The *2007 National IP Crime Report* reports progress that has been made. However, further action is required: we cannot be complacent.

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**European Union Intellectual Property Rights II (IPRII) Project**

IPRII supports China's transition to a market economy, and in doing so seeks to address European industry concerns. The key aim is to improve the effectiveness of IP enforcement in China, and capacity building of copyright enforcement is an essential part of this. EU experts will be working with China's National Copyright Administration to train new recruits and improve the capacity and knowledge of existing staff. The Government will also be working in partnership with Chinese authorities to help them meet the challenges of internet infringement and to help build a network of collecting societies.

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**IP and the international dimension**

- 5.7 Doing business in overseas markets is also of critical importance for UK creative industries, but they need the confidence that their IP will be properly protected. In countries where such protection cannot be guaranteed, there can be a significant barrier to market access.
- 5.8 UK-IPO therefore works at a number of levels to support UK businesses. It works (in partnership with fellow EU Member States) through multilateral institutions, such as the World Intellectual Property Office and the World Trade Organisation, to ensure that member countries have enforcement legislation that complies with international norms. However, compliant legislation does not always translate into effective enforcement. UK-IPO is therefore involved in a series of capacity building programmes with major emerging economies such as India, China and Brazil, either bilaterally or as part of wider EU programmes, or in collaboration with international partners such as the United States Patent and Trade Mark Office.

**Commitment 15**

**We will consult on legislation that would require internet service providers and rights holders to co-operate in taking action on illegal file sharing – with a view to implementing legislation by April 2009**

- 5.9 The Government recognises the value of the current discussions between internet service providers (ISPs) and rights-holders; we would encourage the adoption of voluntary or commercial agreements between the ISPs and all relevant sectors. While a voluntary industry agreement remains our preferred option, we have made clear that we will not hesitate to legislate in this area if required. To that end, we will consult on the form and content of regulatory arrangements in 2008 with a view to implementing legislation by April 2009.

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### Intellectual property in the creative industries

IP is complex and encompasses IP rights and informal IP such as 'know-how', which can be protected by a variety of means, for example confidentiality agreements. While copyright is the predominant intellectual property right in the creative industries, Trade Marks and Registered Designs are likely to play a role. Patents may also be an important to those which develop new and improved technologies.

Whilst formal IP rights provide security it is often business know-how, 'informal IP', that represents the majority share of a company's intellectual asset base. Understanding the full range of IP rights and how to protect and exploit them are key business skills. IP laws may vary between different jurisdictions, for example the patenting of software, and these might influence IP strategies.

UK-IPO is working to ensure that the UK companies make best use of IP. It works across government and with organisations such as BERR's Small Business Service, the English Regional Development Agencies, and the British Library's Business and IP Centre to provide valuable help and to deliver outreach programmes to promote a better understanding of the value of IP in the business community.

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## Commitment 16

### UK-IPO will put into action a plan on IP enforcement

- 5.10 The UK-Intellectual Property Office (UK-IPO) will deliver improvements within the current enforcement arrangements. It will:
- **Explore options for voluntary enforcement funds.** We recognise there is already a great deal of effective partnership working between enforcement agencies and industry. We want to build on this and would welcome proposals from the creative industries for new industry-funded initiatives to help tackle physical and online IP theft. Such funding could be targeted on the establishment of mobile specialised enforcement teams to crack down on illegal activity.
  - **Pilot a 'Fake Free London' campaign on IP enforcement.** Building on the work of the UK Film Council and other rights holders, Fake Free London will bring the rights holders, creative industries, the Government and enforcement agencies together to maximise resources to make London free from counterfeit goods in the run up to the 2012 Olympics. UK-IPO will pilot a project across key authorities, including all five Olympic boroughs. Findings from the pilot in late spring 2008 could provide a model for a much wider roll-out across London and in other cities.
  - **Establish and fund a National Centre of Excellence** to deliver expert police resource focused on tackling IP Crime and to help provide a national perspective to the work going on at a local level.

- **Work with Trading Standards Officers** and local authorities to make best use of the Proceeds of Crime Act – which is generating around £500,000 per month in IP crime-related assets.
- **Work with the Association of Chief Police Officers** to provide extra focus on enforcement activity and encourage further action.
- **Establish a Ministerial and industry forum** to bring together rights-holders, consumer groups, the Government and technology companies to discuss new ideas, issues and solutions to the challenges and opportunities afforded by new technology.

#### Penalties for copyright infringement

- 5.11 Copyright infringement is a serious economic crime. It is important that the penalties available are proportionate to the harm caused to UK industries and that they act as an effective deterrent. For this reason we intend to consult on introducing exceptional summary maxima (above £5,000) in the Magistrates' Courts for offences of online and physical copyright infringement.

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#### **IP infringement in the creative economy**

- The cost of pirate audio-visual goods and illegal downloads amounted to £460 million in 2006 alone.<sup>31</sup>
  - A 10% reduction in software piracy in the UK would generate 30,000 jobs and contribute £11 billion to the official economy.<sup>32</sup>
  - The IFPI estimates the trade of pirate discs was worth \$4.5 billion globally in 2005. At the same time, almost 20 billion tracks were illegally swapped or downloaded in 2005.<sup>33</sup>
  - The OECD reports that approximately US\$200 billion worth of counterfeit goods were seized across national borders in 2005. The actual trade value of these goods is likely to have been several hundred billion dollars more.<sup>34</sup>
  - A recent study by the Centre for Medicines in Public Interest forecasts global sales of counterfeit prescription drugs is set to reach \$75 billion by 2010.<sup>35</sup>
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#### Respecting the creativity of others – understanding intellectual property

- 5.12 Intellectual Property Rights are generally poorly understood. Many members of the public don't see anything wrong with free or pirate access to content.<sup>36</sup> 29% of consumers say they have acquired or viewed pirate video content. Improving the message – and its targeting – is therefore central to the whole IP agenda.

31 British Video Association/IPSOS 2006.

32 *Annual BSA and IDC Global Software Report 2006*.

33 *The Recording Industry Piracy Report*, IFPI 2006.

34 *The economic impact of counterfeiting and piracy*, Organisation for Economic Co-operation and Development (OECD), 2007.

35 *21st Century Health Care Terrorism: The Perils Of International Drug Counterfeiting*, Peter Pitts, Center for Medicines in the Public Interest (CMPI), 20 September 2005.

36 British Video Association/IPSOS 2006.

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#### **An automated content access protocol for the publishing industry**

The licensing of information collected from the internet is one issue that has emerged as traditional publishers develop new businesses on line. Pupils may use such content as reference material for their course work. Bloggers may link to it to promote their argument. And aggregators will typically collect content on a common theme from different sources.

Each group has very different requirements, but web-based licensing systems have not kept pace. Consequently, many publishers are not able to tune licences to users' needs as they can with print. And traditional income projections are now unreliable because web based material can be repackaged in different ways without acknowledging the original source. The existing online licensing cannot discriminate between users' needs and has limited application.

A group of international IP experts drawn from newspapers, magazines and content aggregators has been developing a new standard which can be adapted to differing end-uses of content. UK companies played a major part in this work, which has been led by Mark Bide of Rightscom Ltd since 2006. Following a £500,000 pilot to test the concept, a new Automated Content Access Protocol was launched in New York in November for extended commercial use. Its scope will be extended beyond text in the future to include still images, sound and movies.

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- 5.13 Children and young people are even greater consumers of the output of the creative industries as adults. Those with creative talent should understand the importance of IP and its relevance to future creations. UK-IPO's Cracking Ideas project, aimed at 9 to 11 year olds, is designed to encourage children to be innovative and to show them how they can protect and profit from their ideas. British Music Rights has provided free, on-line lesson plans covering IP issues, for Key Stage 3 Music teachers.
- 5.14 It is also vital that IP awareness runs through the school curriculum for children of all ages. This is particularly important as they reach adulthood, when their spending power increases and they become potentially both producers and consumers of IP.

### **Commitment 17**

#### **We will promote better understanding of the value and importance of intellectual property**

- 5.15 The Government will work with schools and industry to ensure that relevant IP is considered as part of the forthcoming primary curriculum review and consideration is given to including it in the Principal Learning element of relevant Diplomas and other relevant qualifications as specifications are reviewed. We will work with stakeholders, including the CREATE Group, industry and subject associations to increase understanding of IP issues among teachers and to identify ways in which it might be successfully incorporated into teaching and learning. We will also work with specialist schools, in particular those focusing on arts and music, to promote IP within their partner school and community links.



- 5.16 UK-IPO will work with stakeholders on an awareness campaign to inform people of their rights in purchasing creative content, should the results of their consultation on format shifting – including the transfer of CDs to MP3 players – propose the introduction of an exception to existing rules on illegal copying.
- 5.17 UK-IPO wishes to develop a wider programme of raising awareness – working with rights holders to share platforms and deliver joint messages – and this work will be taken forward through the CREATE Group.

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#### **Convergence Think Tank**

As digital technologies converge, communications and access to content are possible across an increasing number of platforms (including mobile phones and the internet) and types of equipment, and from a vastly increased number of domestic and international providers. Consumers can now generate their own content at relatively low cost and have the facilities to copy and share content.

These changes bring both huge opportunities and challenges, for businesses, consumers and government. We need to consider how best to ensure universal access to high quality content and empower consumers while maintaining a vibrant open market that also ensures sufficient rewards for content creators and providers in a converged digital environment.

We need to ensure that the future regulatory framework supports the development of the market, empowers and educates consumers and ensures the UK remains the location of choice for the creative industries. In September 2007, the then DCMS Secretary of State, James Purnell, announced a new Convergence Think Tank to engage the public and industry in debate, to identify the key challenges and concerns posed by convergence, and if appropriate, make recommendations for changes to the existing regulatory framework. A series of public seminars began on 7 February.

The Think Tank will take full account of other relevant initiatives, including the forthcoming review of next generation broadband announced in the next chapter.

[www.culture.gov.uk/convergence](http://www.culture.gov.uk/convergence)

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#### Conclusion

- 5.18 Effective protection of copyright will enhance Britain's competitive advantage in content creation. We will raise awareness of the importance of copyright in schools and colleges, and across the wider population. We will strengthen our efforts to tackle IP crime by setting up a National Centre of Excellence and, by working in partnership with the industry, to help boost our enforcement capability.

## 6 Supporting creative clusters

### Challenge

Bringing coherence to public investment in local creative economies

Developing infrastructure

### Response

Regional Creative Economic strategies

Next generation broadband review

Menu for local infrastructure

Mixed media centres

Protection of live music venues

The UK's creative economy has some of the best infrastructural support in the world. Our colleges and universities are world-renowned. The formal and informal networks that connect the best of contemporary British arts practice with them and the creative industries generate a 'virtuous circle' of great economic, social and cultural significance.

Some creative businesses flourish particularly well when they form clusters – groups of competing and co-operating businesses that enhance demand for specialist labour and supply networks in a particular location. Such infrastructure depends not only upon the vitality of the creative sector itself, it is also underpinned by public policy and significant public investment.

Location matters. People and firms operate in and across different locations. Their interaction can either support or constrain the development of the creative industries. Getting both the policies and the investment right will be crucial for continuing creative and commercial success.

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### North East games cluster

The North East of England is home to one of the largest clusters of computer games companies in the UK. Its success has been built around the local universities, which provide a highly skilled pool of labour, hi-tech facilities and close links with business. Five universities in the region produce over 14,000 graduates a year, many specialising in software or digital media subjects. The University of Sunderland houses Britain's largest ICT training facility, while the University of Teesside is considered one of the best for computer games courses. University of Teesside has also invested heavily in the development of DigitalCity, a state-of-the-art research and development facility which brings together digital businesses and academic research. Another contributing factor to the success of the industry in the region has been the growth of the GameHorizon network, which has brought companies together to collaborate on projects, network and promote the sector.

### OneNorthEast

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### Bringing coherence to public investment in local creative economies

- 6.1 People and firms operate in and across different places; how they both come together in specific locations can support or constrain the creative industries in the UK.<sup>37</sup> It is therefore important to consider the creative industries and their role in the regional, sub-regional and local economies. The importance of place highlights the benefits of targeting policies at the right spatial level. The Government's *Review of Sub-National Economy Development and Regeneration* (July 2007) identified key principles to help illuminate the relative strengths and limitations of different levels:
- managing policy at the right spatial levels
  - ensuring clarity of roles
  - enabling places to reach their potential.

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### Salford Media City

mediacity:UK is being built on 200-acres of waterfront property on the Salford Quays in the North West. It will be an innovative, creative hub for the United Kingdom's media industry. It will host large and small enterprises, both established and start-up firms that create, produce and distribute content. The area will host eight BBC departments, and will include space for a thousand media, creative and related businesses, as well as housing the UK's largest TV production studio block.

mediacity:UK's enterprises will develop open research and development networks with one another and with organisations around the globe. They will complement regional and city programmes to provide the academic training, on-the-job learning and entrepreneurial support that will empower the next generation of creative professionals.

[www.mediacityuk.co.uk](http://www.mediacityuk.co.uk)

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<sup>37</sup> As set out in *Communities and Local Government Economics Paper 1: A Framework for Intervention* ([www.communities.gov.uk/publications/corporate/economicpaper1](http://www.communities.gov.uk/publications/corporate/economicpaper1)).

- 6.2 London, which accounts for nearly a third of all creative industry employment in the UK, has what may be the greatest concentration and range of creative industries of any city or region in the world. Inevitably, it dominates any analysis of the UK's creative industry infrastructure. However, many important centres of activity in cities and regions all over the UK have the combination of specialist skills and critical mass to be global hubs in their own right. The Government wants to see each region identify and exploit its area of comparative advantage in the creative industries; not every region should try to copy London, but each area should support those industries that have the best capacity for local production and skilled recruitment.

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**Publicly funded culture stimulates local and regional regeneration:**

Watershed Media Centre in Bristol is a major regional centre for cinema, digital media and new technology. It provides access to moving image work beyond the mainstream marketplace. It also provides opportunities for artists to develop their use of digital media and film and participation and learning programmes.

[www.watershed.co.uk](http://www.watershed.co.uk)

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- 6.3 The creative industries play a role in local and regional regeneration. This is one of the main reasons why Ministers for the regions have put this issue firmly on their agenda. As a sector characterised by clusters, many rooted in a particular region, city or neighbourhood, the creative industries play a growing role in local economic development. They also bring wider social and cultural benefits. As a result, a growing number of local and regional authorities are developing strategies to attract and support creative industries and to maximise the impact they can make to the quality of life and sense of pride in their town or region.

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**Museums, galleries and libraries** are a significant part of the creative infrastructure, engaging the public in questions of design, while raising aspirations and providing an essential resource to creative industry students, teachers and practitioners. 35% of visitors to the Victoria & Albert Museum fall into this category; as the tributes from 150 leading creative designers to mark the museum's 150th anniversary last year demonstrated, it is a source of inspiration for many of them.

The **British Library** supports business, the creative industries in particular, through networking events and tailored workshops. The Library's Business and IP Centre provides a combination of excellent facilities, information and expertise, offering a unique combination of business and IP information, including free access to more than 30 high-value subscription databases, hundreds of market research reports, and the resources of UK-IPO.

The Centre has been used by over 26,000 people since it opened in March 2006. An independent survey of 230 users in 2007 showed that it had helped to create 47 new companies, took a further 48 to start-up and created 115 new jobs. Since opening on 9 March 2006, the Centre has run an average of five workshops a week, with a total of over 2,000 attendees, over half of which have been women and over a third from BME communities.

[www.bl.uk/bipc](http://www.bl.uk/bipc)

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## Commitment 18

### The Regional Development Agencies will pilot regional creative economy strategic frameworks in two regions, the North West and South West

- 6.4 The RDAs will establish a 'task and finish' group to pilot the development of a regional creative economy strategic framework in the North West and South West. The group will:
- Take forward the Creative Economy Programme agenda by identifying roles for partners, exploiting opportunities for efficiency savings through joint-working and recycling those savings to the creative economy. The group will work with DCMS NDPBs to improve co-ordination of regional engagement with the creative economy.
  - Work closely with the regional beacon network (see paragraph 4.17) to develop models to use the new business support products to best effect across all partners and activities.
  - Explore the potential for a broader cultural and creative strategic framework and its potential benefits for regions.
  - Work with the creative Sector Skills Councils to develop and implement their regional action plans.<sup>38</sup>

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#### **Create KX**

There are 300 creative and industrial firms in the King's Cross area of London alone, and a further 850 on its fringes. These figures were uncovered by a 2003 study by the London Development Agency, with the King's Cross Partnership and Camden and Islington Councils. This discovery led to the creation of **Create KX** to champion and secure resources for the creative sector in the King's Cross area.

[www.createkx.org.uk](http://www.createkx.org.uk)

#### **South Kensington hub**

South Kensington, with the Royal College of Art, Imperial College, the V&A, Natural History Museum, Science Museum and the Serpentine Gallery is a ready-made creative hub.

- 6.5 In developing and evaluating these pilots, we will need to consider the role of the creative economy in regional growth and future regional strategy development and implementation.

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*Living Places*, a new partnership between the Government and its key cultural agencies, is working towards empowering communities to make cultural and sporting activity a part of their lives.

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<sup>38</sup> 'Encouraging clarity and simplicity in the delivery of and support for skills and talent development by building on Regional Skills Strategies developed by the three Sector Skills Councils as part of their Sector Skills Agreements'. RDAs' Working paper, p. 5.

### Developing infrastructure

- 6.6 The creative industries can contribute to a city or locality's sense of identity: place is a significant element in the success of some creative industries. A rich infrastructure of arts and cultural institutions, universities, bars, clubs, low-cost workspace and vibrant public spaces provide the soil in which creative industries put down roots and flourish. Clusters grow organically, developing their own specialisms, characteristics and scale. Public policy can help provide a more favourable climate for them to grow. We will encourage the development of more clusters across the country.

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#### **Film in Soho**

Historically, Soho has been an entertainment area with literary and artistic connections and thriving music clubs. It is an attractive area for creative individuals to live and work. Over time, a cluster of film production services has developed in Soho, specialising in special effects and computer generated content. The presence of the cluster has led to better networking, finance and marketing. Sohonet, a pioneering and privately funded broadband link between studios and post-production houses, started in 1995. It enabled high-speed transfer of digital content, allowing the cluster to operate more efficiently and enhancing its networking capability. Several specialist banks and brokers in the area provide film finance. The cluster also includes a number of specialist marketing firms, linking the film cluster with the local advertising cluster, who can help promote new films.<sup>39</sup>

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## Commitment 19

### **The Government will review what the barriers to investment in next generation broadband may be**

- 6.7 The UK has seen significant success in broadband growth, driven by competition and effective regulation. This has resulted in greater choice of supplier, wider range of service offerings and reduced prices. 99.8% of the population are able to access broadband and half of UK homes are now connected.
- 6.8 The widespread availability of broadband has seen increased opportunity to deliver media content over the Internet, leading to new services such as online video games, video and music distribution and, most engagingly, user-generated content. It is the last of these that perhaps reflects best the liberating effect of broadband-enabled internet and also provides the greatest challenge to the network providers to match future demand.
- 6.9 While the current infrastructure adequately meets current demands, growing consumer expectations, driven by burgeoning internet content, both professional and home-generated, will lead to demand for reliable faster and more symmetrical broadband connections. It is commonly recognised that the current ADSL technology was not designed for the heavy demands of the internet and the Government wants to help create market conditions that will enable the investment that will enable the networks to be kept ahead of the demand curve.

<sup>39</sup> Trans-local production chains and local clusters: a case study of the film industry in London, Andy Pratt and Galina Gornostaeva, 2007 (forthcoming publication)

- 6.10 The Government will therefore review what the key barriers to investment in next generation broadband may be. Further details of the review will be announced by BERR in due course. Ofcom is continuing its work on developing the most appropriate approaches to regulating next generation access under the existing regulatory framework, taking into account the work and conclusions of the review.

**Commitment 20**  
**Through the Local Government Association, and with the Regional Development Agencies, we will develop a ‘menu for local infrastructure’**

- 6.11 We will put together a menu of options to help local authorities who wish to improve their creative infrastructure. The menu will be delivered in April 2008 through the Local Government Association, with the support of RDAs, DCMS and other government departments. It will offer advice on:
- setting a helpful planning framework
  - providing access to flexible office and business space where there is market need, suitable for the needs of small and medium sized businesses and consistent with the business support portfolio announced in the 2007 pre-budget report
  - offering access to rehearsal and studio space and associated facilities
  - protecting existing performance and exhibition venues, and providing new ones
  - the protection of existing markets and related means of enabling small creative product businesses gain access to markets, and the provision of new marketing opportunities
  - developing links between universities and business
  - encouraging and promoting festivals and events which enable commercial as well as cultural development
  - encouraging local networks and networking where they are seen as helpful by local creative businesses
  - providing and encouraging projects which enable creative talent to develop in social and community programmes with the chance to move on to commercial success where possible.

**Commitment 21**  
**The UK Film Council, in association with Arts Council England and the Arts and Humanities Research Council, will help develop ‘mixed media centres’**

- 6.12 The UK Film Council will support popular arts media venues with cinema at their heart to act as hubs for creative economy businesses in their city regions. Led by the UK Film Council, in association with Arts Council England and the Arts and Humanities Research Council, we will work with exemplar venues to exploit their contribution to the creative economy and to maximise their potential to facilitate knowledge transfer. The venues are
- Broadway, Nottingham
  - Cornerhouse, Manchester
  - Foundation for Art and Creative Technology (FACT), Liverpool
  - Sheffield Media and Exhibition Centre (The Showroom)

- Tyneside Cinema, Newcastle-upon-Tyne
- Watershed, Bristol

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Manchester's Oxford Road Corridor is home to the most diverse and concentrated group of academic institutions, cultural venues and creative businesses in any English city outside London. Excellence in creative businesses meshes with leading science and technology institutions, creating an environment that leads to innovation, collaboration and knowledge transfer.

The city aims to develop the Corridor into a research and development 'laboratory', involving recent graduates, artists and established creative businesses, helping to drive growth in the creative industries and influence the wider economic and social capacity of the city – health, environmental development and digital technology.

[www.miriad.mmu.ac.uk/innovation/oxfordroad](http://www.miriad.mmu.ac.uk/innovation/oxfordroad)

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## Commitment 22

**In line with the recommendations of the Live Music Forum we will encourage the protection of live music venues, building on the examples set by the work of the Mayor of London**

- 6.13 For our live music scene to continue to thrive it is vital that there is a wide range of venues across the country, to support the development of our musicians of the future. Our vibrant and diverse musical heritage is built on this network of venues ranging in size and type. For example, the Academy Group has just opened mid-sized venues in Leeds, Sheffield and Brighton. We encourage local authorities across the country to consider live music in their strategies.
- 6.14 Live music has always been an important part of the capital's cultural life. Venues like the Roundhouse, the Royal Festival Hall, Koko and the O2, make a great contribution to this thriving scene. However, unique London venues such as the Spitz and the legendary Hammersmith Palais have recently closed.
- 6.15 The Mayor has made clear that he wants London to be a city where a range of venues, musicians and performers can thrive. This includes established and celebrated venues, as well as new developments. His planning advisors are developing guidance on how this can be done so that the future of the sector is secure.

### Conclusion

- 6.16 The UK as a whole is a global creative cluster in its own right. But it also contains a number of regional and local clusters. Sustaining and developing those clusters, and providing the infrastructure for new clusters to flourish, involves significant public investment. We need to ensure that interventions are properly targeted to grow the local infrastructure necessary for creative businesses to thrive, and to make the fullest possible contribution to place, regeneration and the economy.



## 7 Promoting Britain as the world's creative hub

### Challenge

Promoting UK companies to the global creative economy

Promoting the UK as the world's creative hub

### Response

UK Trade and Investment marketing strategy for the creative industries

The World Creative Business Conference

The UK has established a position in the vanguard of the world's creative economy. The creative industries, more than most, rely on the UK's reputation for creativity and innovation. They, in turn, have become central to our national identity and brand. This inter-dependence is likely to intensify in the years ahead. Meanwhile, as incomes and aspirations rise in newly developing nations around the world, their demand for creative goods and services will rise – stimulating their own creative industries. This will lead to more opportunities for British businesses. But it also heralds increasing international competition. We need to market ourselves as effectively as we can and be open to ideas and talent from around the world, and ensure that London and Britain continue to be seen as the best places to trade in the marketplace of ideas.

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**The Government will develop a 'Creative International Challenge Competition'**

intended to be an iconic competition, with nominal but worthwhile prizes, involving institutions and businesses. We will invite selected organisations to propose collaborative projects with partners in emerging markets, particularly China and India.

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- 7.1 The UK has a headstart in an expanding global creative economy. But we need to be constantly ready to adapt, building on our strengths and recognising those of other countries. As the challenges of competition have increased, the concept of the UK acting as an international creative hub has become increasingly attractive. This would mean our being a leading international cluster of the many aspects of the creative economy, maintaining world-class standards and operating as a creative broker. The challenge now is to define this role more clearly, and to help our creative businesses and the institutions and programmes which support them, to make it a reality.
- 7.2 Government can project the strength of the countries arts and creative industries through international cultural diplomacy. But we can also enhance our reputation by providing an open market in ideas and skills, building on the UK's traditions as an open society. Our tradition of free speech and a free press are widely respected, as is our cultural diversity and the welcome we afford to overseas students and creatively skilled people.

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**Ceramics and textiles**

Much of the UK's strength as a creative nation has developed through the combination of creative skill and manufacturing, a relationship which has been nurtured and supported from the 19th century onwards by our great design colleges and cultural institutions. The blend of creative and manufacturing skills is at its most expressive in industrial sectors such as ceramics and textiles. The movement abroad of the manufacturing base has changed these businesses but they are redefining themselves as part of a new creative economy. For example, the great art potteries of Staffordshire are harnessing sophisticated electronics and computer-driven techniques with creative and innovative skills to produce world-leading products, again supported in this by the development of specialist skills programmes and inspired by local and national investment in cultural infrastructure. And apparel textile manufacturing in the UK, now devoid of mass market demand, thrives as specialist niche supply for leading edge fashion and luxury brands whose customers increasingly insist on assurances of quality, provenance, sustainability and exclusivity in return for premium prices paid. Interior and technical textiles produced in the UK are seeing increased demand as customers in the global economy require ever more stringent standards in a world market governed by health and safety regulations and ever increasing concerns for the environment. These industries will continue as leading aspects of the UK's distinctive character in the 21st century world creative economy.

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- 7.3 A growing number of overseas governments are recognising the power of the creative industries to drive the knowledge economy and to symbolise national identity and economic success. They have come to represent high value, highly skilled and flexible economies.
- 7.4 The UK may have been the first nation to recognise the significance of the creative industries as a discrete sector of the economy, but others are determined to catch up. Nations as diverse as Singapore, Finland and New Zealand are pursuing focused national strategies for creative growth. China's eleventh Five-Year Plan expresses the ambition to move from a 'Made in China' to a 'Designed in China' economy. And Nokia has recently established 'design oases' in Bangalore, India and Rio de Janeiro, Brazil.
- 7.5 London's cluster of creative businesses matches the City's role as a global financial hub. Both are linked to the development of a wider group of business services. We need to optimise London's leading position without ignoring the capital's dependency on talents, businesses and clusters elsewhere in Britain.
- 7.6 Because of its position between the major US market and the emerging markets in Asia, the UK is particularly well-placed to be the world's creative hub. The UK must aim to become a global creative broker. It can do this by building on the international work of the British Council, exploiting government assistance to the creative sector to access new markets and by forming effective international partnerships.

Promoting the UK as the world's creative hub

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**A level playing field**

Globalisation offers many opportunities to the creative industries and we welcome competition which often drives improvements in quality and efficiencies in industry. However, the UK must take the lead in opposing practices that unfairly distort competition. That is why, for example, we will be working with our European counterparts to determine whether the incentives offered by Canada to video games companies contravene World Trade Organisation (WTO) rules. If they do, we will pursue this vigorously through the WTO.

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- 7.7 The UK is home to many of the world's leading brand names of the creative industries. WPP in advertising, EMI in music, the BBC in media, and the Norman Foster and Richard Rogers Partnerships in architecture are among many creative businesses which have major international reputations. Multi-national companies locating in the UK bring with them significant turnover and employment as well as making vital contributions to the overall health of the UK creative economy through innovations, enhanced competitive pressure and trade with smaller companies. The most crucial factors in location decisions are the quality of the UK's universities and colleges and our ability to retain our own most talented graduates; the sophistication of the UK consumer market; the flexible business environment; the quality and rigour of intellectual property protection; and the access to good cultural facilities.<sup>40</sup> Government must continue to prioritise these areas in an era of increasing international mobility for companies and skilled labour, if we are to attract and retain domestic and foreign owned creative multi-nationals. The UK's position as a world leader in the creative industries does not depend on British ownership of all the relevant businesses.
- 7.8 However, the advantages offered by London and the UK must also be clearly marketed. There must be confidence in our reputation and the brand of Britain before business can flow. The Government is developing a strategy for overseas marketing closely integrated with improved domestic promotion of our creative industries. All this is supported by our initiative to strengthen international cultural diplomacy and our work, within wider migration policy, to attract international creative talent to Britain.

#### UK business entering and collaborating in overseas markets

- 7.9 However, there is a role for government, in particular to tackle the market failures that may prevent or reduce trade. For example, the Government provides assistance to access and exploit new markets and global networks. This activity is supported by the UK's diplomatic missions, the British Council and trade associations. The best of our creative business can showcase internationally through British embassies and High Commissions. We also continue to push for international policy and regulation which promotes an open and fair playing field – while we want our creative industries to succeed, it is vitally important that free trade operates in the creative economy, and we must ensure that our markets are just as open to others.

### Commitment 23

**UK Trade and Investment will lead a five-year strategy to 'enhance the international competitive position of the UK's creative industries'**

- 7.10 UK Trade & Investment (UKTI) is working with business and public sector bodies to develop a five-year marketing strategy for the creative industries. The strategy, which will be closely aligned with the Creative Economy Programme, has three themes:
- Developing stronger messaging which resonates with overseas buyers and investors and projects an exciting image of a Britain as an inspiring and creative nation
  - Ensuring our promotional activities have maximum impact: for instance, exploiting links between music and fashion, and using global events such as the 2010 Shanghai Expo and the 2012 Olympics as a promotional hook
  - Developing new initiatives to promote the British creative industries as a whole in target markets.

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#### **University of the Arts Creative Industries Observatory**

International comparisons about the creative industries are important for governments and industries to understand their comparative advantage and performance compared with other countries. This can be difficult for the creative industries, but researchers at the University of the Arts Creative Industries Observatory are tackling this by initiating collaborations with China and India to collect comparable statistics. DCMS will support this ongoing work which is intended to make significant progress on international comparisons.

[www.lcc.arts.ac.uk/industries\\_observatory.htm](http://www.lcc.arts.ac.uk/industries_observatory.htm)

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- 7.11 By successfully promoting British creative industries, we re-enforce the image of Britain as an innovative, dynamic nation, supporting the Government's wider strategy to present the UK as a springboard to global growth.

### **Commitment 24**

## **We will initiate the launch of the World Creative Business Conference**

- 7.12 Aspiring to the scale of the Davos World Economic Forum, we will develop the World Creative Business Conference to combine the UK's unique strength as a world-leader in the creative and financial sectors. This will build on the concept developed by the originators of the World Creative Forum. It will cement the UK's place as the world's creative hub. It will also be a platform for leaders from the creative and financial sectors to develop a deeper engagement and dialogue.
- 7.13 Over time, we hope the forum will develop into an event of global significance in the business calendar. We expect a pilot in autumn 2008 in London. One part of this initiative will involve the development of strategic alliances with other global hubs, for example the American West Coast. In addition we hope that in time its success might lead to satellite events in other parts of the country, and in other global cities.

## Commitment 25

### **We will work with the Mayor of London and other partners to champion London's many creative festivals – and forge better, mutually beneficial links with important festivals around the country**

- 7.14 Museums and galleries, such as the Tate and the V&A, do a lot to promote Britain's international reputation for creativity. Exhibitions like Vivienne Westwood, which has already travelled to 11 international cities, demonstrate their potential. A diverse range of annual festivals and promotional events in London showcase excellence in the creative industries: London Fashion Week, London Design Week and the London Film Festival among them. These and other showcases also help provide work and inspiration for the UK's events industry, which is itself a world leader, with turnover exceeding £20 billion a year; and they provide iconic focus for the visitor economy. But London could do even more. DCMS will support the Mayor of London's work with the organisers of these events so that we maximise the global profile of London and the creative sector.
- 7.15 We will use this work to forge better, mutually beneficial, links with important festivals around the country.
- 7.16 The Government will underpin these commitments with additional initiatives to develop supporting infrastructure, including two specific projects:
- A permanent location for London Fashion Week will be provided in a suitable central London location, subject to council planning and other permissions. London Fashion Week is a vital part of the fashion industry's calendar and provides a shop window for the British fashion industry to the world. In recent years it has developed a niche amongst the top four fashion weeks – the others being Paris, Milan and New York – as the event which unearths emerging fashion designers. However, with increasingly strong international competition, London must fight to retain its status. While its current temporary location in the grounds of the Natural History Museum has worked well, a new permanent site will help the British Fashion Council, who organise the event, to focus on developing the event and building the brand.
  - DCMS recently announced £25 million for the UK Film Council which will be used to support national and regional archive. The BFI's proposal for the building of a new film centre on London's Southbank will allow access to the archive, the library, exhibitions and cultural film in one place and has the potential to cement Britain's place as a major international centre for film. This proposal is at an early stage and the Government is working with the UK Film Council and the BFI to determine whether the conditions can be met to attract significant funding from public and private sources to make this project a reality and bring enjoyment, celebration and film to London and the rest of the UK. Government support is conditional upon the BFI producing a viable business plan to address these conditions.

International cultural diplomacy

- 7.17 Culture and the creative industries can build, develop and sustain international relationships where more formal means of contact fail. Film, television, fashion, design, art and music can powerfully communicate images and ideas to a mass audience, enabling different cultures to build mutual understanding as well as a shared experience and sense of purpose.
- 7.18 We need to support this valuable activity. We will also lead on providing additional support on geographical areas of priority and we are pursuing a high level agreement with India on programme co-operation. DCMS will work to ensure that the Government, the British Council and the BBC World Service are much better connected with the cultural sector and provide a forum to discuss joint priorities and co-working. This will be supported by a database of existing and planned international cultural and creative engagement to ensure better planning and efficiency. The DCMS-based database will also be used in planning Ministerial visits overseas. The China: UK Connections through Culture programme is a good example of what can be achieved.

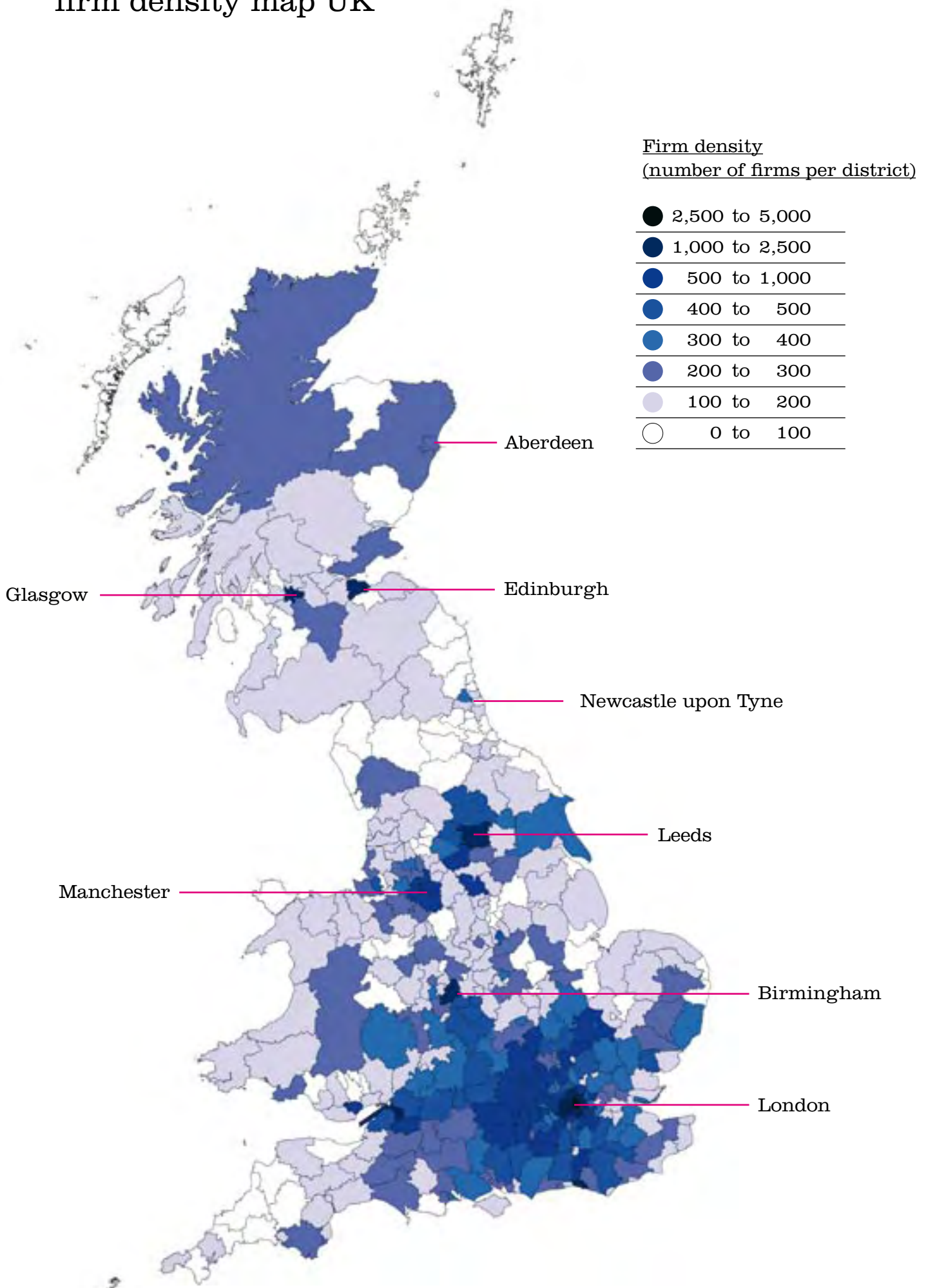
Talent from the world: migration policy

- 7.19 The UK's creative economy is fed by talented people from all over the world who in turn attract business. So we need to sustain this flow of talent to our shores. The Government is currently undertaking a major reform of the UK's immigration system, expected to be completed by 2009. It includes a new points-based system, simpler routes of entry and a new structure of visa charges. The new system will be more transparent, and will seek to ensure that Britain attracts the right people with the skills the UK needs.
- 7.20 The Government is taking the specific needs of the creative industries into account. The points-based system will include a specific creative and sporting sub-category which has been developed in consultation with representatives from the sector.

Conclusion

- 7.21 Britain is the world's creative capital. By meeting the challenges set out in this document, we can safeguard that status. By investing in our festivals and a world creative business conference we can showcase that position, while allowing the world's leading creative business people to meet in London.

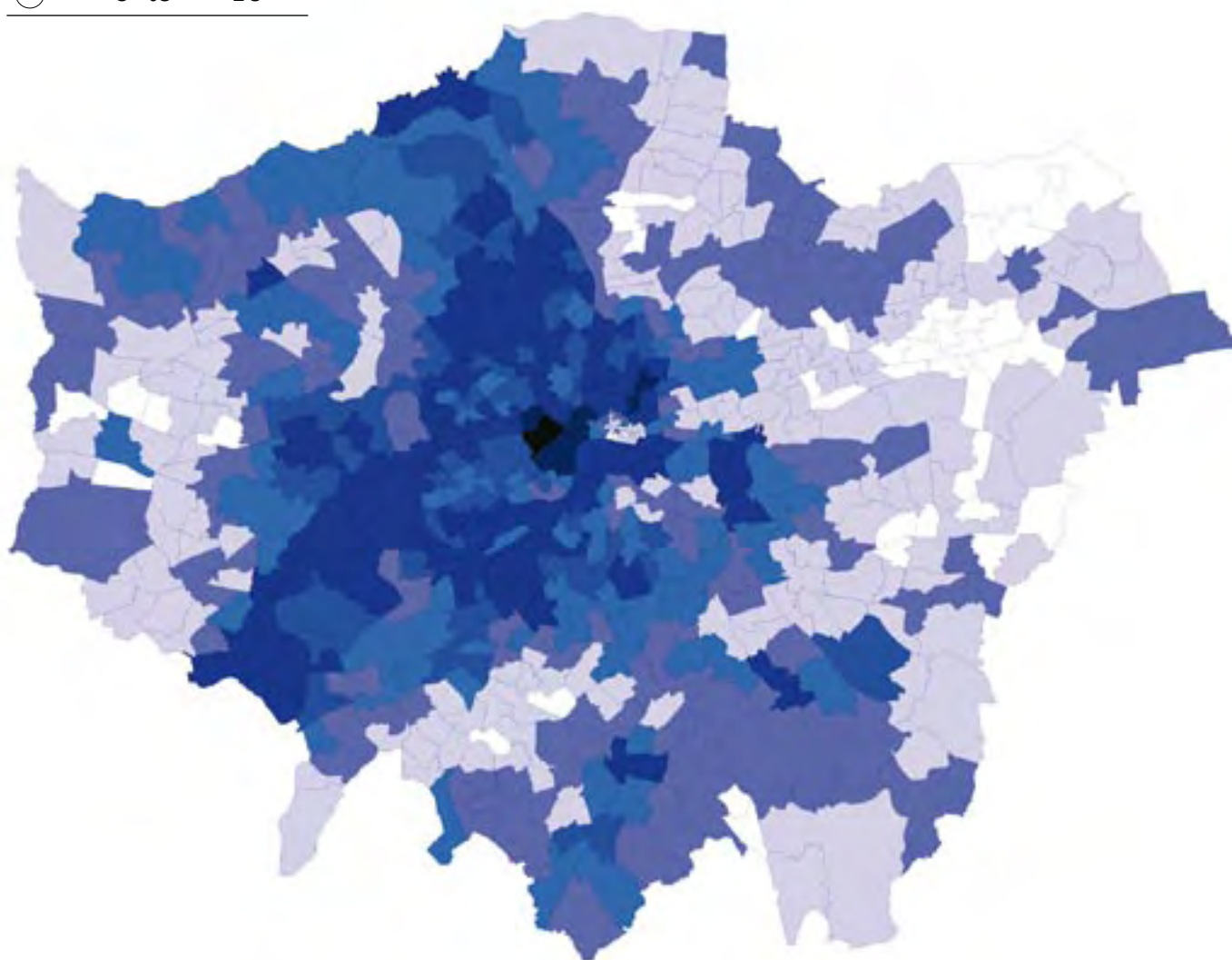
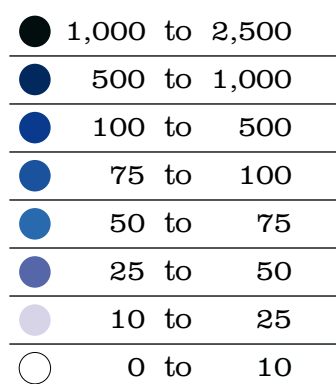
## Creative industries – firm density map UK





## Creative industries – firm density map London

Firm density in the London area  
(number of firms per ward)



## 8 Keeping the Strategy up-to-date

### Challenge

Expanding evidence and analysis of the creative industries

Implementing the commitments

Connecting creative business and stakeholders with information

### Response

Evidence framework for the creative industries

Ministerial Board for the creative economy

Interactive website

The publication of this creative economy strategy marks the culmination of a two-year programme of engagement with the creative industries. It has been jointly sponsored with BERR, and involved dozens of stakeholder organisations and several government departments, principally HMT, DIUS, DCSF and CLG. As we move towards implementing the commitments, we need proper structures for delivery, with mechanisms to keep industry and stakeholders involved and to ensure that policy development keeps pace with fast moving changes in the creative industries.

## Commitment 26

### **We will put in place the right structures to ensure that the Creative Economy Programme keeps pace with developments on the ground**

#### Ministerial board

- 8.1 The Creative Economy Programme has seen a high level of consultation with industry and other stakeholders. Their engagement and contributions have improved the final product. Contributions have come from different elements and sectors of the creative economy. We want to maintain this level of interaction and advice as we continue to implement the commitments.
- 8.2 To reflect this, the Government will put in place a governance structure which uses all available skills, experience and expertise. At the top, there will be a group led by Ministers, with representatives from key government stakeholders. In addition there will be specific sub-groups which will consider the interests of the creative sectors and Non-Departmental Public Bodies involved in the creative industries. An internal Programme Board within DCMS will also be formed.
- 8.3 These groups will ensure that the commitments set out in this document are acted upon, and implemented appropriately. They will also seek out opinions on the future direction of the strategy.

#### Interactive website

- 8.4 We want the creative economy strategy to evolve. But we need a mechanism that allows for this evolution to occur in line with changes taking place in the industries themselves.
- 8.5 So DCMS will establish an interactive website where stakeholders can discuss and debate the aims of the strategy and indicate evolving pressures and challenges.
- 8.6 DCMS will also explore with the industry the potential for developing a series of web-based services and tools. This might map creative players – businesses, educational institutions, special projects and creative clusters. It could provide networking facilities (working alongside the Creative Industries Knowledge Transfer Network). And it could include a 'Creative Calendar' to help businesses make best use of the annual rhythm of festivals and other showcasing opportunities.



- 8.7 It is intended that this website will be run outside of government. The Government will help fund the project in its initial stages, with a view to its being wholly owned and run by the sectors themselves within a short time.

#### Evidence and research

- 8.8 Evidence and analysis has been an important aspect of the Creative Economy Programme, playing a continuing role in commissioning research which has influenced policy development.
- 8.9 Through the Creative Economy Programme, we have developed a well-established research community which has collaborated and commissioned projects to add to a collective evidence base about the creative industries. The Creative Economy Programme Evidence Group has brought together relevant organisations to advise on and steer research projects commissioned during the Creative Economy Programme. These are all published on the Creative Economy Programme website at [www.cep.culture.gov.uk/cepevidence2007](http://www.cep.culture.gov.uk/cepevidence2007)
- 8.10 The organisations represented on the Evidence Group are drawn from other government departments, NDPBs, Office for National Statistics, regional bodies, Sector Skills Councils, the Scottish Executive, GLA and academics including the London School of Economics. While we now have an authoritative evidence base for the creative industries, there is clearly much more to be done by academics and research organisations, for whom creative industries have moved up their agenda.
- 8.11 DCMS will continue to lead the development of statistical frameworks and methodologies for measuring the creative industries. We will continue to work with research organisations to advise on these issues and engage with the research community so that their findings influence policy development.

#### Devolved administrations

- 8.12 Officials from the devolved administrations were involved in a range of useful discussions that assisted the preparation of this document. Evidently, a number of the initiatives proposed here – such as the commitments designed to foster and protect intellectual property – will be implemented across the United Kingdom. DCMS will continue to consult with the devolved administrations, including relevant agencies, in ensuring their effective implementation. The devolved administrations themselves are undertaking related, relevant work. For example, the Scottish Executive has recently published an economic strategy, which identified the creative industries as one of its six priority industries, and is now considering how to improve business development services in this context.

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**Welsh Assembly Government**

The Welsh Assembly Government has a very clear vision of the significant contribution that the creative industries can make to the Welsh economy. It has adopted a strategy, Creative Success, which outlines a collaborative approach between business and government that is rooted in the creation and exploitation of IP. It focuses on the businesses that can make a significant contribution to the economy of Wales and sets out the ways the public sector will support the creative industries.

[www.wales.gov.uk](http://www.wales.gov.uk)

**Northern Ireland Assembly**

The Northern Ireland devolved administration has set a key goal of growing the creative industries sector by up to 15% by 2011. The Department of Culture, Arts and Leisure (DCAL) leads a Creative Industries Working Group to consider a range of actions to support and develop the creative industries in Northern Ireland. DCAL has secured funding totalling £5 million over the three years from 2008/09 to establish a Creative Industries Seed Fund, which will provide direct support to emerging creative businesses.

[www.dcalni.gov.uk](http://www.dcalni.gov.uk)

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Conclusion

- 8.13 The creative industries are developing rapidly, adapting to and developing new technologies and reaching new audiences. For the UK to maintain its advantages in the creative industries, the Government must put in place the correct structures and mechanisms. By setting up a ministerial task group, an interactive website and encouraging further evidence and research we can ensure that government policy continues to keep pace with these dynamic sectors.



## Summary of Commitments

### Giving all children a creative education

- 1 We will establish the 'Find Your Talent' programme – piloting five hours of culture a week for children and young people

### Turning talent into jobs

- 2 We will create a talent pathways scheme to support and inspire young people from all backgrounds to pursue careers in the creative sectors
- 3 The DCMS will work with its NDPBs, and through them its sectors, to agree actions to promote a more diverse workforce
- 4 We will conduct research to ensure that academia is equipping students with the skills they need to make the most effective contribution they can to the creative economy
- 5 We will encourage employers and skills providers to set up ground-breaking new innovative places of learning
- 6 We will explore the impact of a brand new 'Academic Hub' supporting collaboration between schools, further and higher education to provide end-to-end development of creative skills for people aged from 14 through to 25
- 7 Apprenticeships will be established across the creative industries for up to 5,000 people a year by 2013

### Supporting research and innovation

- 8 The Technology Strategy Board will provide £10 million to inspire new collaborative research and development ideas for the creative industries
- 9 NESTA will launch a £3 million Creative Innovators Growth Programme
- 10 The Technology Strategy Board will launch a Knowledge Transfer Network for the creative industries
- 11 The Department for Innovation, Universities & Skills will commission research to better quantify the economic benefits of the creative industries, with special attention to the value added by innovation in those industries

### Helping creative businesses grow and access finance

- 12 Arts Council England will help deliver the objectives of the Creative Economy Programme
- 13 The Regional Development Agencies will establish a network of regional beacons for the creative industries in the South West, South East, North West, North East and West Midlands

- 14 We will encourage bids for Enterprise Capital Funds from the creative industries and expect to see increased investment flows as a result

### Fostering and protecting intellectual property

- 15 We will consult on legislation that would require internet service providers and rights holders to co-operate in taking action on illegal file sharing – with a view to implementing legislation by April 2009
- 16 UK-IPO will put into action a plan on IP enforcement
- 17 We will promote better understanding of the value and importance of intellectual property

### Supporting creative clusters

- 18 The Regional Development Agencies will pilot regional creative economy strategic frameworks in two regions, the North West and South West
- 18 The Government will review what the barriers to investment in next generation broadband may be
- 20 Through the Local Government Association, and with the RDAs, we will develop a ‘menu for local infrastructure’
- 21 The UK Film Council, in association with Arts Council England and the Arts and Humanities Research Council, will help develop ‘mixed media centres’
- 22 In line with the recommendations of the Live Music Forum, we will encourage the protection of live music venues, building on the example set by the work of the Mayor of London

### Promoting Britain as the world’s creative hub

- 23 UK Trade and Investment will lead a five-year strategy to enhance the international competitive position of the UK’s creative industries
- 24 We will initiate the launch of the World Creative Business Conference.
- 25 We will work with the Mayor of London and other partners to champion London’s many creative festivals – and forge better, mutually beneficial links with important festivals around the country

### Keeping the Strategy up-to-date

- 26 We will put in place the right structures to ensure that the Creative Economy Programme keeps pace with developments on the ground

We can also provide documents  
to meet the specific requirements  
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Please call 020 7211 6200 or  
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22 February 2008/PP1067/3,200 copies





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