

Brief September 2011

Skills for the creative industries

Investing in the talents of our people

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Between 2009 and 2013 the UK creative industries are expected to grow by 4% on average, more than double that predicted for the rest of the economy.

The creative industries have a vital role to play in stimulating growth and recovery in the UK over the coming years – and this was recognised in the government's *Plan for Growth*.¹

Strong creative talent is one of the reasons that the UK has built up a natural strength in sectors such as music, publishing, video games, film, design and fashion. However the view from many of the creative sub-sectors is that the UK is now slipping on this measure and risks being overtaken by global competitors.

The government has established a Creative Industries Council to consider how to move forward on issues such as skills and access to finance to promote growth and investment in the sector. The Council, chaired by Business Secretary Vince Cable, was announced in the government's plan for growth and brings together leading figures from across the industry.

This brief sets out the steps CBI members believe are required to ensure the UK's creative industries have the skills to retain their competitive edge. It is part of the CBI's contribution to the work of the Creative Industries Council, and the CBI's wider programme on creating the conditions for generating private sector growth.

Growing our economy through the creative industries

World-class creative industries are a strength of the UK economy. As a proportion of GDP, the UK has the largest creative industries sector in the world – contributing between 6%-8% of our nation's output and directly employing over 1 million people.

Exploiting the potential of the creative sector will help to rebalance the UK economy and achieve private sector growth. Industries from film, architecture, music and digital media are reliant on the creativity and innovation of individuals – and business needs access to a pool of talent with the right skills.

The economic conditions remain challenging. The economy grew by 0.2% in the second quarter of this year. At the same time, the Government's Office for Budget Responsibility has forecast a reduction of 310,000 public sector jobs by 2015-16,² and is looking to the private sector to create 1.3 million new employment opportunities. With both government and domestic consumer spending under pressure, the focus is on business investment and strong export growth to drive recovery. In a global market, the UK must push ahead in high-skill, high-value sectors.

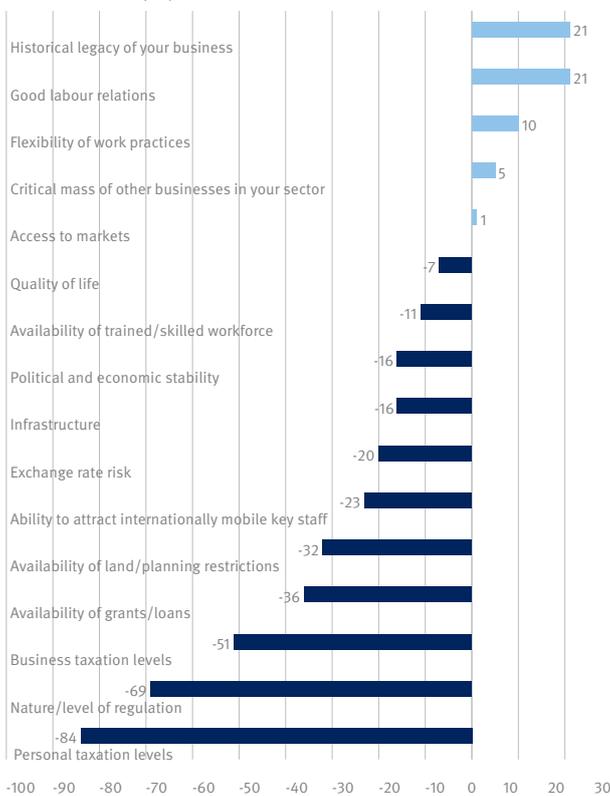
The creative sector has huge growth potential. By 2013, the sector is expected to employ 1.3 million people, potentially greater than financial services. The digital and creative industries are a natural export strength for the UK, providing the UK’s third largest export sector – only behind advanced engineering and financial and professional services.³

Critically, business investment in creative industries is linked to the availability of talent. Our best creative firms are players on the global stage, looking to attract investment from home and abroad. Leading economies are positioning themselves for future growth by courting investment from the best businesses and the UK needs to remain competitive.

In March this year, the CBI’s *Making the UK the best place to invest* report set out a framework for supporting domestic business investment and attracting capital from overseas. The UK has a number of natural strengths, but as **Exhibit 1** shows, the attractiveness of the UK on a number of key investment factors has declined in the last decade (data based on CBI survey of business leaders) – including the availability of a skilled workforce.

Measures are needed to close the skills gap with competitor nations to support investment in key business sectors including the creative industries – and key to this will be to ensure the sector has a strong pipeline of skills and talent.

Exhibit 1 Attractiveness of UK over other countries 2000-2010 (%)



Source: *Making the UK the best place to invest*, CBI, 2011

This brief sets out clear recommendations to ensure the creative industries have the skills they need to thrive and prosper, and to attract domestic and international investment. The recommendations are aimed at:

- Ensuring young people leave school with a strong grasp of the basics
- Developing up-to-date knowledge and skills through university programmes
- Supporting employers to develop the abilities of the current workforce.

Skills shortages holding back growth

The government’s Growth Review highlighted the potential of the digital and creative industries “to drive significant growth in the UK”, but also cautioned that “skills shortages in the industry have a detrimental impact on growth”.⁴ The review announced funding for 10,000 higher level apprenticeship places targeted at SMEs who are prevalent in the creative sector, and guidance for employers so they can support employees undertaking university study on business relevant courses.

The creative sector is dominated by smaller firms and individuals on freelance contracts, and this needs to be considered when designing skills solutions. There are around 182,000 creative industries companies (not including sole traders) – and of these 84% employ fewer than 10 people.⁵

Overall, while the creative industries is characterised by a potential over-supply of new entrants, there are increasingly instances of skills shortages. The Livingstone-Hope review of video games found 31% of firms believed skills shortages were impacting on their business (the figure for the visual effects industry as a whole is 38%), with 17% of larger firms having to fill vacancies with overseas recruits.⁶ The sub-sector is worth more than £2bn in global sales but is potentially being held back by a shortage of young people studying science and maths at school, and a lack of high-quality specialist HE courses.

More broadly, skills shortages include generic skills such as sales and marketing, as well as specific shortfalls in pattern cutting and grading, and textile technologists; and support roles in craft skills – for example in the film industry – for carpenters, painters, wig and model makers.

There are two key factors underlying skills shortages within the creative industries that need to be addressed:

- Changes in the global skills environment
- Domestic shortages of individuals with the right skill sets.

Changes in the global skills environment

In a globalised market, where firms are able to work across national boundaries and locate production centres in the areas of lowest cost – new technologies are changing the labour market dynamic. Technological advances are allowing multi-nationals to produce high value goods and services in developing countries, forcing the UK to compete further up the value chain.

Some creative sub-sectors have felt the impact of global shifts in production; the story of the fashion and textiles industry for the last decade or more has been dominated by the loss of manufacturing employment to overseas producers who can undercut on cost while competing successfully on quality. While moves have been made to adapt and ensure UK firms can compete higher up the value chain – on technical textiles or design and finishing activities for high-end goods – other countries are following suit to protect their own national competitiveness.

Many competitor nations are actively courting creative jobs by designing comprehensive strategies to support their home-grown talent and pull in mobile investment. Policy tools range from the use of tax breaks and other fiscal incentives such as those used to support the games industry

in Canada and France, to the massive direct investment in new media cities and clusters in Asia and the Middle East.

In an increasingly crowded marketplace, the UK must invest in the development of high-level knowledge, creativity and skills to retain its edge.

Domestic shortages of individuals with the right skills

The breadth of the creative sector is wide and varied, but there is commonality in the skills that employers in the industry will need. Every business will need staff who have a strong foundation of literacy, numeracy and employability. Alongside this there will be a particularly strong demand for science, technology, engineering and maths (STEM) because of the increasingly digital way in which creative firms produce and market their ideas as well as the need for creative skills in for example, music, art or design depending on the needs of the sector.

But employers across the economy – including those in the creative industries – are experiencing shortages of STEM skilled staff. Over two fifths of employers (43%) across different industries are facing difficulties recruiting STEM skilled staff, with over half (52%) expecting problems over the next three years.⁸ Problems are apparent at all levels – whether for experienced hires, graduates or technicians.

In addition, too many young people still leave education without a strong grasp of the basics. While some progress has been made in improving literacy and numeracy results at age 16 in recent years, far too many young people still fail to make the grade. This year 59% of entrants achieved A*-C in GCSE maths and 65% in GCSE English. This meant over 300,000 young people did not achieve the benchmark of a grade C in maths, with 225,000 falling below this level in English.

OECD data shows secondary school pupils in the UK are falling behind our competitors on maths, reading and science. The latest OECD PISA survey, based on tests taken by 15 year-olds, shows the UK has dropped in international rankings. In 2009 UK pupils ranked 16th in science, 25th in reading and 28th in maths (**Exhibit 3**).

Exhibit 2 Singapore's drive for global media excellence

The Singapore government is paying close attention to the creative industries and, underpinned by a national strategy, is deploying a number of high-profile initiatives to build on and maintain excellence. One such initiative is Media 21, an ambitious project run by the Media Development Authority which aims to champion Singapore as a competitive destination for global investment from the sector and to create 10,000 new jobs. Supporting measures include work with the Ministry of Education to enhance creative writing and drawing skills at the pre-school, primary and secondary levels; and an enhanced National Scriptwriting Competition to help give exposure to emerging talent in publishing, film and digital media.⁷ Singapore has also introduced a Productivity and Innovation tax credit covering activities including R&D and design expenditure. Successful UK companies are already locating there – Oscar-winning animation company Double Negative has just opened their first non-London office in the East Asian capital.

Exhibit 3 UK rankings in OECD PISA tests

Year	Science	Reading	Maths	Number of participating countries
2000	4th	7th	8th	32
2006	14th	17th	24th	57
2009	16th	25th	28th	65

Building the right pipeline of talent – ensuring the sector has a competitive skills base

Ensuring the creative industries sector has access to a pool of talented people with the right skills and abilities is the responsibility of both government and employers.

Businesses do not expect everyone to arrive at their door job ready, and will train staff to develop job specific competencies. Employers in the creative media and fashion industries spend around £346m per year training their staff.⁹ While survey data from Skillset (the Sector Skills Council for creative industries) found that employers emerging from the recession were maintaining investment in staff development – 16% planned to increase their investment, while two-thirds (64%) of industry employers were leaving training budgets unchanged.¹⁰

But there is a need to improve the development of skills throughout an individual's journey through schools, further learning and the workplace to address skills shortages within the industry.

This brief sets out policy recommendations for developing sector relevant skills in three areas:

- Ensuring young people leave school with a strong grasp of the basics
- Developing up-to-date knowledge and skills through university programmes
- Supporting employers to develop the abilities of the current workforce.

Ensuring young people leave school with a strong grasp of the basics

Schools are the first step on the educational journey, and it is important young people develop a strong grasp of the basics. Whatever career young people follow, they should enter the labour market with good basic skills – with literacy and numeracy particularly relevant to jobs in creative sectors where there may be a strong technical or artistic element. In addition, there is also a need for strong vocational pathways into the creative sector.

Business also has a role in supporting better educational outcomes in schools – whether by providing careers advice to young people and showing how academic subjects can be brought to life in the workplace; or by supporting the delivery of mainstream curriculum subjects.

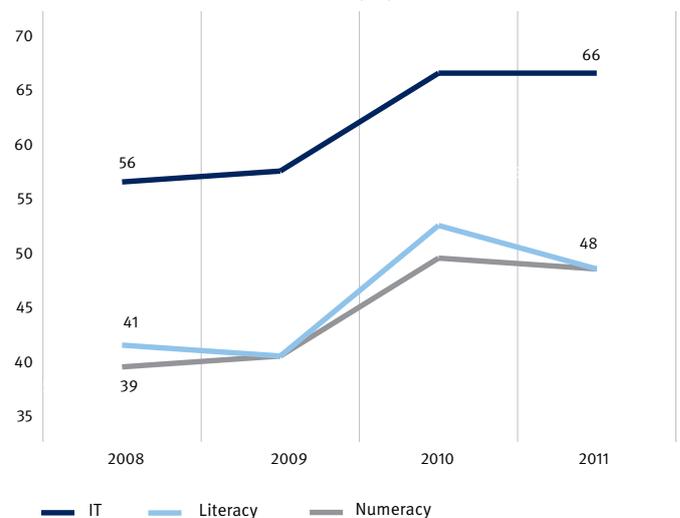
There are four areas to address:

- Tackling the UK's long-tail of underachievement on basic skills
- Developing a strong base of STEM skills
- Ensuring young people can study a range of creative subjects
- Business supporting educational delivery.

Tackling the UK's long-tail of underachievement on basic skills: Poor attainment on basic skills – literacy, numeracy, and IT – has an impact in the workplace. Employers' particular concerns over numeracy and literacy inevitably vary from business to business and sector to sector, but there is broad agreement that shortcomings in basic skills affect employees' ability to perform everyday tasks in any role. In the creative sector, an individual working in film or TV must have good written and oral communication skills, while those working in fashion or architecture will need a strong platform of maths and numeracy. While the strong flow of applicants into the creatives sector often means employers can pick those with good basic skills, it is important to ensure that all those looking to work in the sector have a strong grasp of these core abilities.

The CBI/EDI education and skills survey shows that employers' concerns over the core skills of the current workforce has deepened over time (See **Exhibit 4**). Almost half (48%) of firms – across the economy – report problems with literacy and numeracy, and two thirds (66%) IT skills.¹¹

Exhibit 4 Employers reporting problems with core skills of current workforce (%)



All young people should be supported to reach minimum benchmarks on maths and English, and it is welcome that those who do not achieve an A*-C at GCSE by age 16 will now be helped to do so by 19. Advanced numeracy skills will be important to elements of the creative sector. The CBI has called for all young people to continue studying maths post-16 at a level appropriate to them, and very much welcomed the recent ambition set by the Education Secretary Michael Gove that “*within a decade the*

vast majority of pupils are studying maths right through to the age of 18".¹² We need to challenge the most able to continue developing their maths skills, as well as prevent others from falling behind. And it makes economic sense – currently, only 15% of students study maths beyond GCSE, well behind competitor nations such as France and Germany.

While CBI data shows problems with IT skills, these refer to general office skills – using word, excel and basic email – and are likely to be concentrated amongst older workers. But the creative industries will often require a more detailed level of IT knowledge.

An intensive ICT and digital education is crucial for all areas of the creative and cultural industries, with 27% of businesses that experience skills gaps believing they exist in areas around ICT. This figure is even higher for digital-intensive areas such as the design industry. A more varied and challenging curriculum is required to include more advanced software packages and give learners the confidence to keep up with new developments in the digital sphere.

Specifically some sectors face challenges around IT programming skills. The UK video games industry for example, has slipped from third to sixth place in the global rankings, with skills cited by experts as a key factor in this decline; and the visual effects industry is being forced to recruit from overseas to fill gaps.

The Livingstone-Hope review of video games concluded, *“The industries suffer from an education system that doesn’t understand their needs. This is reinforced by a school curriculum that focuses in ICT on office skills rather than the more rigorous computer science and programming skills which high-tech industries like video games and visual effects need”*.

If the UK is to retain its global strengths in the high-tech creative and digital industries it must urgently address the need for more rigorous teaching of computing in schools.

CBI recommendations

- The Department for Education to ensure that all young people continue studying maths post-16 at a level appropriate to them
- The Department for Education and awarding bodies should develop computer programming and software development courses for secondary school pupils.

Developing a strong base of STEM skills: Employers across the economy value recruits with science, technology, engineering and maths (STEM) skills for their analytical and problem-solving skills, but they are common currency across many areas of the creative industries.

It is widely acknowledged that studying three separate sciences at GCSE is the best platform for pursuing scientific study at A-level and university, and developing a STEM based career. Not enough young people do so at present and there is wasted potential – over 40% of 14 year olds achieve at least a level 6 at Key Stage 3 in science, indicating they are capable of further study. But only around a fifth of young people study three sciences as separate GCSEs. The ripple effects of this trend can be seen at A-level – where only 33,000 pupils (3.8% of all A-levels sat) took physics this year and only 83,000 (9.6%) maths.

To address this, the CBI has recommended an automatic opt-in to triple science GCSE for high achieving pupils, alongside a focus on ensuring more schools are able to offer triple science by improving facilities and sharing good practice on over-coming timetabling difficulties.

CBI recommendations

- The Department for Education to introduce an automatic opt-in to triple science GCSE for the most able pupils
- The Department for Education to support schools to develop the capacity for delivering triple science provision.

Ensuring young people can study a range of creative subjects: The government’s schools white paper announced the creation of an English Baccalaureate (E-Bac) to support pupils to achieve core knowledge in key academic subjects.

The E-Bac is a new award for young people who achieve an A*-C grade at GCSE in English, maths, double or triple science, a language and a humanity (history or geography). School league tables now measure the proportion of pupils achieving the E-Bac in order to encourage schools to ensure all students study the full range of E-Bac subjects.

Moving forward, the E-Bac should be broadened to give young people wider options to prepare themselves for their future careers options. The CBI accepts young people having the option of double or triple science within the E-Bac, but believes all schools should offer triple science with schools then measured against the proportion of pupils taking the triple science option.

History or geography should remain an option within the E-Bac, but there are other ways of developing the creative minds businesses are looking for. The E-Bac should give young people the opportunity to study a creative or technical subject such as design and technology, computer studies, music, art and design, or drama.

Soft employability skills – team-working, problem solving, self-management – are vital across all job roles. For example, Skillset and Creative & Cultural Skills have identified a particular need for entrants into the creative industries to be ready to work in inter-disciplinary teams, emphasising the need for new entrants who are flexible and able to communicate and work closely with others. These are competencies that can start to be developed at school. Employability is not a separate subject, but are skills that can be embedded within teaching of other curriculum lessons. For example, an English teacher can set pupils group work or ask pupils to debate issues in front of the rest of the class.

CBI recommendations

- The Department for Education to include a creative subject within the specification of the English Baccalaureate
- The Department for Education and schools to embed employability skills within the teaching of the curriculum – with better guidance for teachers on how to do so. CBI members have defined employability skills and are willing to support the development of guidance.

Business supporting educational delivery: Employers can support schools through supporting subject study or helping to provide careers advice (**Exhibit 5**). The careers advice young people receive should be based on up-to-date labour market information and bring to life the career opportunities in different sectors including the creative industries.

For example, Creative & Cultural Skills run the Creative Choices website to provide information and opportunities for people throughout all stages of their career. The site provides links to jobs and opportunities, details the skills that you need at all stages of a career and provides content on the various creative industries. This resource is currently being used by approximately 40,000 visitors a month.

Exhibit 5 Creative Partnerships – inspiring young learners

The Creative Partnerships programme, funded by government until 2011, was a flagship initiative aimed at key stages 1-4 in England. It brought creative workers such as artists, architects and scientists into schools to work with teachers to inspire young people and help them learn, using creativity to foster their ability to question, make connections, innovate, problem solve and reflect critically. The programme has worked with over 1 million children and over 90,000 teachers in more than 8,000 projects in England since 2002. Crucially, the skills it taught were highly valued by employers from all sectors but particularly the creative industries. Recent research has concluded that the programme had a “profound impact” on teachers’ professional development, including their leadership skills, and that children on the programme also benefited significantly.

CBI recommendation

- The Department for Education and employers must promote and reward best practice on business-school collaboration eg by further supporting the work of the Education and Employers Taskforce.

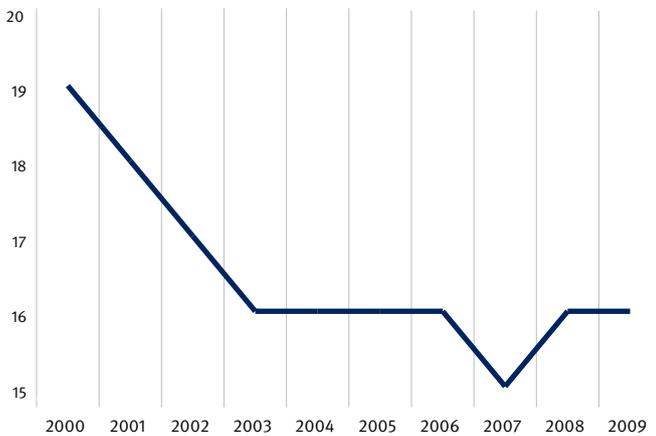
Developing up-to-date knowledge and skills through university programmes

The creative industries are graduate rich. Research estimates that as much as a sixth (16%) of university students are studying courses relevant to the creative economy.¹³ While over half (58%) of the workforce in the creative and cultural industries hold degree-level qualifications.

The issue across many areas of the creative industries is not the quantity of graduates but the business relevance of the courses they studied. In industries often characterised by rapid technological change and job-specific technical skills, employers often find the content of university courses cannot keep up with their needs.

The generic base of knowledge required for many creative industry careers will be arts, humanities or STEM related subjects. While the number of media graduates remains healthy, the last decade has seen a decline in the proportion of students taking STEM degrees and this must be addressed as a matter of urgency (See **Exhibit 6**). As the government reviews funding for university teaching, continued support must be given to the delivery of STEM courses – which are often more expensive to deliver.

Exhibit 6 Decline in proportion of students studying STEM degrees (%)



Two fifths (39%) of all employers in the CBI/EDI education and skills survey cite a shortage of STEM graduates as a barrier to recruiting STEM skilled staff, while a third (33%) say the content of qualifications is not relevant. Universities need to think more widely about STEM courses to cater for new and emerging industries:

“STEM skills are now vital for a new generation of industries which will help the UK economy grow and prosper in future. In addition to more traditional sectors, we must develop the ‘new STEM’ agendas in non traditional parts of the economy such as entertainment technologies and digital communications”.

Madeleine Atkins, Vice Chancellor, Coventry University

Ensuring the content of degrees remain up-to-date – particularly in technology related sectors – requires stronger business-university collaboration. There are already examples of employers working with HE institutions to shape the content of courses and this must become widespread. Building successful relationships will require time and commitment from both sides – the employer must clearly articulate their skills’ needs and offer what facilities or teaching expertise it can, while the university must take an employer facing attitude and tailor the content and delivery of training to match business needs.

For example, Skillset recently awarded the University of Abertay’s Professional Masters in Computer Games Development the Skillset Tick. The industry-endorsed mark of excellence is awarded to courses and institutions that provide the most up-to-date, industry-relevant training available. Abertay’s year-long Masters course enables students to work in small specialist development teams developing innovative games prototypes, often in response to direct briefs from industry, working with new processes and technologies in a dedicated studio environment in the UK’s first Centre for Excellence in Computer Games Education. The university is also involved in research and development (See **Exhibit 7**).

Exhibit 7 Abertay University (Dundee): sparking off new creative ventures

Abertay University is launching a £5m prototyping project for the computer games sector, which is expected to create up to 30 new companies and 400 new jobs.

Key outcomes:

- *Allows SMEs to turn their ideas into working prototypes*
- *Helps fledgling companies construct and develop their management team*
- *Students and graduates gain important work experience opportunities.*

Successful applicants to the programme receive up to £25,000 to help build a prototype game or creative product to present to investors. Commercialisation and project management support will also be provided from Abertay’s business and computer games experts, giving each successful applicant the best chance of establishing or developing a thriving business.

New studio space is being created in which students work alongside computer games companies. Students, graduates and freelance contractors can join the Abertay talent pool to work on projects, and academic practitioners can promote work experience opportunities to students.

CBI recommendation

- Universities and business need to collaborate more closely on course development, with both investing time and resources into developing relationships.

Supporting employers to develop the abilities of the current workforce

Creative industry employers will provide training to develop the skills of their existing workforce – giving them the abilities they need to perform their roles to a high standard.

Like all employers, firms in the creative sector will develop staff through different learning routes – whether on-the-job coaching and mentoring, or more formally delivered training courses. In a sector dominated by SMEs and with a high proportion of freelance workers – on-the-job training will be common. The long term investment of time and resources required to provide accredited training courses does not always fit with day to day employer operations.

To support workforce development, action is required in five key areas:

- Promoting SME collaboration on skills
- Developing sector-led apprenticeships
- Supporting continuing professional development
- Developing entrepreneurial know-how
- Growing internship provision.

Promoting SME collaboration on skills: First and foremost it should be recognised that smaller employers in the creative sector recognise the importance of people development and will train their staff – even if the more informal on-the-job training – while effective – often falls below the radar of official measurement.

While the majority of skills development within SMEs will be informal, more could be done to support SMEs to overcome the barriers they may face in engaging with the external skills system – namely time, costs and dealing with bureaucracy.

For example, a small firm who may wish to send one or two members of staff on a training course may struggle with the cost involved, or the provider may not be able to justify providing training for such a small group. If SMEs came together they would be able to pool resources to cover the costs of training, and send a larger group of staff onto the course.

Strengthening collaborative models will support SMEs access externally delivered training. Apprenticeship Training Agencies (ATAs) are an example of this approach. ATAs support SMEs with the employment costs of taking on apprentices by acting as the ‘apprentice employer’, and add value by supporting SMEs with the recruitment and selection of candidates.

CBI recommendations

- Within the Department for Business, Innovation and Skills’ budget for supporting SME training, there should be a focus on promoting collaboration between SMEs in close geographical proximity
- The Department for Business, Innovation and Skills and Sector Skills Councils should provide clear information and guidance for SMEs wanting to become involved in ATAs or other collaborative models.

Developing sector-led apprenticeships: The government is currently expanding funding for apprenticeships with the aim of making apprenticeship programmes the primary work-based learning route. Ministers have said they want to work with employers to deliver an additional 100,000 apprenticeships by 2014, supported by public funding of £1.4bn next year.

Business is a willing partner for government. Apprenticeships provide practical, business focused training that delivers benefits to employers and apprentices – by improving business productivity and giving apprentices the skills they need to achieve well paid and satisfying careers.

They are particularly relevant to the creative sector where there is employer demand for associate professional and technical skills – often at Level 3 (intermediate level skills). In the creative and cultural industries these occupations make up 38% of vacancies. The creative industries have a constant supply of graduates looking to work in the sector, but employers should be encouraged to consider the apprenticeship route alongside graduate recruitment, as often apprenticeships may be more appropriate for meeting skills requirements.

But barriers will need to be overcome to successfully grow employer involvement. The creative sector in particular is dominated by SMEs employing a significant number of freelance workers. Many smaller firms in the sector don’t see apprenticeships as relevant to them. There must be proper support for SMEs to help them navigate the apprenticeship system and overcome initial hurdles – eg how to find a good provider or relevant programme?

Within the sector steps are being taken to promote apprenticeships more widely. The National Skills Academy for Creative & Cultural houses the Apprenticeship Training Service (ATS), in order to facilitate apprenticeships in a difficult sector for take-up. The ATS offers a range of services to make hiring an apprentice easier for the creative and cultural sector. They act as a one-stop-shop for employers to get information about apprentices within the sector. The ATS can also employ the apprentice and then leave the business to pay the salary and a small administration cost. This allows companies that do not have long term security to go into the process with a minimal amount of risk. Over the course of a year the ATS has placed over 100 apprentices with employers in a sector which has traditionally had very limited engagement with the further education system.

At the same time, Skillset have developed an intermediate level (Level 3) apprenticeship in Creative and Digital Media to provide young people with up-to-date learning and the advanced vocational skills desperately needed within the industry.

But there is still more to do, less than one in ten creative media employers offer apprenticeships, though half would consider doing so in future.

Exhibit 8 Industry-led apprenticeships: Burberry and Pinewood

Responding to particular skills gaps in their talent pool, two of the UK's most successful creative businesses have launched apprenticeship schemes aimed at sourcing new talent in a sustainable, cost-effective way while also contributing to local economic development.

Burberry's scheme is linked to an NVQ qualification and teaches garment-making and weaving to school leavers at its factory in Castleford, West Yorkshire, where Burberry's iconic trench coats are made.

Technical apprenticeships at Pinewood Studios have been arranged as part of a joint initiative between the film studio and two different providers, in Nottingham and Kingston. The partnerships bring together the business acumen and scale of operation of Pinewood with the advanced teaching in craft and technical skills at the two colleges.

Focused on up-skilling current as well as prospective staff, the company also sent some of its teams to undertake work-based training apprenticeships in Business Administration at the local Amersham and Wycombe College.

Pinewood Studios believes that there is an urgent and pressing need for skills development in the craft and technical elements of the industry and has been closely involved in the development of the Skillset Craft and Technical Skills Academy. Together with other key players, Pinewood is involved in helping professionals as well as new entrants in the screen based industries to secure qualifications and gain experience within craft and technical departments of film and television productions. The Academy will ultimately be based at Pinewood's new Project Pinewood – an innovative living and working community for the creative industries.

“For UK film making to maintain its competitive edge, it must continue its’ investment in maintaining and developing a talented workforce. Pinewood is therefore delighted to be leading the way in skills training with its various apprenticeship schemes and its involvement with the Craft and Technical Skills Academy.”

Ivan Dunleavy, Pinewood Chief Executive

CBI recommendations

- The National Apprenticeship Service and Sector Skills Councils to provide clear support and guidance to SMEs on how to access the apprenticeship system, with progress made on reducing bureaucracy.
- The Department for Business, Innovation and Skills to promote ATAs and other collaborative apprenticeship models – including large firms willing to over-train apprentices for firms in the sector.
- Employers to continue working with Sector Skills Councils on developing business relevant apprenticeship frameworks.

Supporting continuing professional development: Employers will develop the skills and knowledge of staff through continuous professional development – with professional organisations within sectors often setting the recognised industry benchmarks.

In architecture, the Royal Institute of British Architects (RIBA) sets the standards for the education of architects, both in the UK and overseas, resulting in many foreign architects deciding to base themselves here.

The work of professional bodies needs to be better recognised as a central component in building the skilled workforce on which the future competitiveness of the creative industries depends.

Exhibit 9 Bringing the art of advertising and the science of behaviour together

The Institute of Practitioners in Advertising (IPA) is the trade body and professional institute for advertising, media and marketing agencies who operate in the UK. Responding to a reported skills gap in the industry in the area of behavioural economics, the IPA has forged a strategic partnership with Warwick Business School to deliver a fast track programme in the discipline launching in September 2011. Designed for senior agency executives as well as in-house advertising practitioners, the programme investigates how behavioural economics can drive marketing campaigns and shape new product developments. Further to this training module, the partnership will also launch a Behavioural Economics Incubator to test and pilot new ideas and approaches as well as a Fast Stream placement and recruitment scheme into the IPA's member agencies for leading Warwick graduates and post-graduates.

“This partnership with a leading business school can supply fresh insights into human behaviour, allowing us to create more valuable and effective ideas for clients – without necessarily waiting for a brief.”

Rory Sutherland, IPA past President

Developing entrepreneurial know-how: Employers within the creative industries have identified a need to develop entrepreneurial skills – the ability to take a creative idea and translate that into a viable business proposition. The lack of entrepreneurial know-how is a serious skills gap within the industry. Too often a lack of business knowledge may hold back a new firm trying to get a foothold in the creative market, as they lack the ability to monetise their ideas or the knowledge of how to protect and exploit their IP. There is a need for more programmes that fuse creative subjects with business skills.

For example, Goldsmiths (University of London) offer a postgraduate MA in Creative and Cultural Entrepreneurship. The programme aims to integrate entrepreneurship within the development of creative practices and to take a ‘creative’ approach to the development of new businesses and the infrastructure that supports them.

Growing internship provision: Work experience and internship placements are common within the creative industries as a route for young people to develop business relevant skills and develop contacts with employers. A fifth (18%) of creative media employers offer internships.

Three-quarters (74%) of the decline in employment during the recession was for 16-24 year olds, and it is imperative that employers can continue to provide valuable internship or work experience opportunities.

The current legislative situation is clear – an ‘intern’ who is acting as a worker must be paid the appropriate national minimum wage, while an intern undertaking work experience can be paid on an expenses basis. The current focus on enforcing the current legal position must continue – extending national minimum wage legislation to cover all internships would deter employers – particularly SMEs – from offering provision.

Sectors such as creative industries and journalism have been particular targets of negative publicity in terms of internship pay. In response Skillset has published detailed good practice guidelines on internships which has won support from employers and unions within the industry.

Exhibit 10 Work experience at the BBC

The BBC offers a large number of work placements each year to various age groups. In the period between 2009 – 2010 they offered approximately 1,700 work experience placements across the various organisations in the BBC.

Work experience is offered to the following categories:

- 14 to 19 years of age and required to undertake a work experience placement as part of the National Curriculum
- 18 years of age or over and required to undertake work experience as part of a relevant higher or further education course
- External applicants who have an interest in obtaining experience of working in the media industry.

The BBC adheres to the Skillset work experience/internship guidelines. Work experience placements are unpaid and should not exceed 4 weeks in duration. The majority of placements are less than two weeks.

Work experience placements are advertised on the BBC careers websites and are open to all individuals. Within the 2012 work experience programme there has been an emphasis on aiding social mobility and attracting diverse applicants. The BBC has formed partnerships with six of the London Boroughs as a way of encouraging local individuals to apply (comprising of Barking & Dagenham, Hackney, Greenwich, Newham, Tower Hamlets, Waltham Forest).

CBI recommendations

- Skillset to continue promoting their internship guidance to spread best practice within the industry
- The Department for Business, Innovation and Skills should maintain the existing minimum wage legislation.

Summary of main recommendations

To ensure the UK creative industries sector has the skills it needs to maintain and grow its international position, and to drive private sector growth and employment, action is urgently needed.

This brief makes a number of recommendations at each stage of the learning journey – schools, higher education and workforce development.

Ensuring young people leave school with a strong grasp of the basics

- The Department for Education to ensure that all young people continue studying maths post-16 at a level appropriate to them
- The Department for Education to introduce an automatic opt-in to triple science GCSE for the most able pupils
- The Department for Education to include a creative subject within the specification of the English Baccalaureate
- The Department for Education and employers must promote best practice on business-school collaboration eg by further supporting the work of the Education and Employers Taskforce.

Developing up-to-date knowledge and skills through university programmes

- Universities and business need to collaborate more closely on course development, with both investing time and resources into developing relationships.

Supporting employers to develop the abilities of the current workforce

- Within the Department for Business, Innovation and Skills' budget for supporting SME training, there should be a focus on promoting collaboration between SMEs in close geographical proximity
- The Department for Business, Innovation and Skills to promote ATAs and other collaborative apprenticeship models – including large firms willing to over-train apprentices for firms in the sector
- Skillset to continue promoting their internship guidance to spread best practice within the industry
- The Department for Business, Innovation and Skills to introduce new legislation extending the national minimum wage to cover all internships.

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