SUBMISSION FROM CREATIVE SKILLSET

Executive Summary

1.1. Creative Skillset empowers the Creative Industries to develop skills and talent; it does this by influencing and shaping policy, ensuring quality and by securing the vital investment for individuals to become the best in their field and for businesses to grow. As the industry skills body for the Creative Industries, we work across film, television, radio, animation, visual effects, games, fashion, textiles, advertising, marketing communications and publishing. www.creativeskillset.org

1.2. We are employer owned and industry-led, independent, and actively involve trades unions, professional bodies and other stakeholders in the industry in our work and we are therefore a key strategic partner in developing and delivering skills solutions to the sector in Scotland.

1.3. Direct employer engagement sits at the heart of our work. In Scotland, this is achieved through an industry-led Scottish National Board. Currently chaired by Bobby Hain, STV Director of Channels, previous chairs include Director of BBC Scotland, Kenny MacQuarrie, STV Managing Director, Donald Emslie, and former controller of BBC Scotland, John McCormick. The Board provides vital strategic advice, support and guidance as well as a forum where the key public sector bodies can engage in debate on skills issues with leading employers/employer organisations and trades unions.

1.4. The board meets quarterly with membership drawn at a senior level from across our footprint as well as representatives from across the main public agencies such as Scottish/Highlands and Islands Enterprise, Skills Development Scotland and SQA. The main Scottish Broadcasters, Independent production, facilities, film and computer games and animation, are all represented at a senior level. A full list of members is included in Appendix 1.

1.5. This is a moment of real opportunity for the film, TV and computer games industries in Scotland. With coordinated, industry-led strategic and action planning we can prepare for and capitalise on opportunities for significant growth. Putting industry and their direct representatives at the heart of the development and planning process, however, is the essential strategic change that will build industry commitment and bring sustainable growth at home and abroad.

1.6. Any future Sector Development Strategy must be industry-led and bring together all those bodies with a valid and valuable input into the process. Skills and training are key to support a sector development strategy and Creative Skillset, who brings together industry and public agencies on skills, can play a key part in this process.
1.7. The creative media Industries in Scotland have chosen to work together through Creative Skillset to develop an industry skills strategy and action plan based on robust evidence and sector intelligence, and that establishes clear priorities for development. This action plan is updated annually and represents the industry’s clearly articulated voice on issues, priorities and solutions. A strategic response to skills issues that delivers across all grades and disciplines is vital to secure growth.

1.8. Creative Skillset is committed to supporting the growth, through skills, of Scotland’s and the UK’s Creative Industries. We are a UK-wide organisation with a commitment to respecting the different industrial structures and policy frameworks within the devolved nations, and to strategically partnering with the Scottish Government and the key national public bodies.

1.9. Creative Skillset has strategically partnered Creative Scotland (and one of its predecessors, Scottish Screen), the Scottish Funding Council, Skills Development Scotland, DCMS and industry to channel nearly £10 million worth of investment into skills and training for the Creative Industries over the last 7 years. We have successfully leveraged significant amounts of industry co-investment to support these wide-ranging activities.

1.10. Recognition of the significant value Creative Skillset brings to the sector and investment in its activities will help to grow and sustain the kind of workforce required to support economic growth.

1.11. With these industries working through Creative Skillset, the organisation is a vital, strategic partner in Scotland’s development agenda for the Creative Industries, providing leadership and intelligence from the heart of industry to Scotland’s public bodies to inform and advise their investments and approaches to developing the sector.

1.12. The lack of transparency/visibility is a huge issue and the apparent lack of communication between the participants of SCIP (Scottish creative industries programme) also means there is ongoing duplication, missed opportunities and a lack of overall strategy and vision for the creative sectors, both culturally and commercially. Creative Skillset, while having much to offer, is currently excluded by virtue of not being a public body.

1.13. We have an unparalleled catalogue of specialist industry-intelligence across the Creative Industries, with unique studies of the film, television and games sectors highlighting key skills and employment issues.

1.14. Creative Skillset’s Strategic Skills Assessment for the Creative Industries in Scotland highlights the major contribution made to the economy by the film, games and TV sectors. This research, which brought together a wide range of input and intelligence from both primary and secondary sources, shows a total
GVA across Scotland’s Creative Media Industries of around £3.2 billion from a turnover of £5.3 billion. Employment in the sectors within scope for this consultation is around 6,550 individuals (including facilities) out of a creative media total of 29,550. This employment is distributed in around 500 companies (not including sole-traders).

1.15. A significant challenge for the film and TV industry in Scotland is the high levels of freelancing. 67% for TV and 91% for film. Additionally, a third (34%) of the Scotland Creative Media workforce uses their skills across more than one sector. This is particularly pronounced in Outside Broadcast, Corporate Production, Post Production and Animation. It varies greatly by contract type, with over half (52%) of freelancers working across more than one sector compared to 19% of employees.

1.16. Diversity across all measures remains a persistent challenge to the sector and we are focused on redressing the imbalance in gender representation and key minority-represented groups.

1.17. Skills gaps and shortages are consistently reported in the sector. For example, 42% of Scottish employers sampled in 2010 reported hard to fill vacancies (skills shortages). Essential areas for development include Leadership and Management, essential software skills and multi-skilling.

1.18. 31% reported key skills gaps in the workforce with development needs including technical development, sales, distribution and marketing and strategic management. Camera/photography is the most common occupation for skills gaps amongst freelancers. Qualitative research also highlights other essential areas for development including: visual special effects; multi-platform; post-production; editing; production management; and a wide range of technical skills such as lighting electricians and vision engineers. More generally, industry representatives talked about the importance of multi-disciplinary skills – allowing individuals to move across content forms and delivery forms.

1.19. Skills are therefore a major factor in driving productivity and competitiveness across the Creative Industries. **Creative Skillset is a key partner in raising industry support for skills and driving a demand-led agenda in the supply of education and training to support economic development.**

1.20. Creative Skillset’s **Industry Strategy and Action Plan** (included with this submission) is a “roadmap” to developing skills of people across all levels, ages and stages of their career; and a document that can be the foundation of ambitious partnerships between industry, government and the public sector and providers of education and training. The key themes of this strategy are:
- **Owning our Industrial Growth**: Scotland’s Creative Industries take greater responsibility for planning and investing in their own skills needs to support economic growth.

- **Opening Doors**: Clearer entry pathways into Scotland’s Creative Industries for diverse new talent, focusing on careers, apprenticeships, internships and traineeships.

- **Raising the Bar**: The quality and relevance of available training and development strengthened through: developing and reviewing National Occupational Standards (NOS); quality assurance of FE/HE courses (via Creative Skillset Course Accreditation); and driving curriculum policy and skills infrastructure.

- **Quality Skills for Individuals**: Providers of skills training continually challenged to build the quality and relevance of provision; ensuring that available training is best matched to industrial priorities and learner needs.

- **Support for Companies**: Companies and employers able to develop as world-class leaders driving innovation and economic growth. At the same time, businesses will identify and access training and development to enhance capacity, capability and growth prospects.

1.21. Our activities consistently deliver positive outcomes for employers and individuals, helping to build capacity, capability and enhance sector competitiveness.

1.22. We have delivered the only industry-accredited Film Academy in Scotland (Screen Academy Scotland) – one of only three in the UK; the other two are in London. We have also established a wider network of excellence in FE and HE provision through industry-accreditation of 22 courses at 10 FE/HE institutions. Industry-accreditation – the “Creative Skillset Tick” – recognises those courses that most effectively provide students with the skills and knowledge required by employers in the Creative Industries.

1.23. There were approximately 1,500 students across all year groups in 2012/13 in the 22 currently “Ticked” courses in Scotland. Of the some 631 students who graduated in 2013 (the most recent year for which information is available), 422 (66%) entered sector-related employment or started new businesses; a further 83 (13%) articulated to higher education from college courses. This means that 80% of the 2013 graduates moved a positive and relevant destination.

1.24. We also developed the first Creative Media Modern Apprenticeship with BBC Scotland that has successfully delivered diverse new entrants into the sector for the last 4 years.

1.25. Nearly £7 million pounds has been invested directly in this network since 2009, forging an advanced industry-education partnership that involves major sector employers in Scotland. For example, we delivered Fast Train, an
industry-led event at BBC Scotland in October 2013 that delivered learning opportunities for 40 students as well as 170 freelancers. A total of 76 practical training sessions ran amounting to 92 training hours.

1.26. Creative Skillset also brings an UK-wide dimension that can bring important benefits. For example, the tax breaks available across high-end TV, film, animation and computer games are an significant part of the drive for growth and sustainability and these reserved matters must continue to be available in Scotland.

1.27. In respect of connecting to skills, HM Treasury challenged these sectors to develop a sustainable approach to development, aiming for positive growth and a consistent way of tackling gaps and seizing opportunities. The sectors worked with Creative Skillset to establish a levy for film, animation and TV productions that would feed into a fund for skills, while other collective arrangements were put in place for games. Similar discussions are about to begin with the Children’s TV production sector, which will now also enjoy tax breaks.

1.28. As a result of the above industry need and commitment, Creative Skillset secured public co-investment through the Creative Skillset Skills Investment Fund (SIF) - up to £16m over 2 years to March 2015 – to match pound for pound with industry investment in developing skills for these tax break sectors. By April 2014, SIF had invested £9.4m of these funds (including monies collected via the new levies).

1.29. The total investment in Scotland matched by industry since April 2013 is nearly £1.5 million; the SIF contribution was £746,586, which represents 46% of all Skills Investment Fund funding awarded across Scotland, Wales and Northern Ireland. Over 20 companies accessed the SIF in that time including BBC Scotland, Tern Television, SHED Media, STV, Young Films and Left Bank (Outlander). 90 Trainees have been also placed with companies in these sectors in Scotland.

1.30. Our work in this area illustrates the willingness of employers large and small to engage positively in skills and training and the ability of Creative Skillset to deliver significant investment leverage.

1.31. Our employers recognise the differences, especially at a policy level, across the devolved nations. Many employers operate and trade across the UK though (and indeed into Europe and beyond), and their view is that in recognising differences, we must also acknowledge that some matters remain reserved (e.g. broadcast policy) and therefore an employer-owned and led, UK-wide, strategy for addressing skills delivers important benefits.
General Points

1.32. Over this period Creative Skillset’s Scottish National Board has consistently been the only place where Scotland’s public bodies and industry come together to focus uniquely on the strategic skills needs of the sector.

1.33. Creative Skillset’s role is of vital strategic importance within this dynamic arrangement. Creative Skillset’s credibility with major figures in Scotland’s and the UK’s Creative Industries ensures that our industrial intelligence is second-to-none, while our knowledge of effective programmes for delivery ensures value-for-money from the public purse by leveraging increased industrial investment.

Specific questions

1.34. The role of public sector agencies and the effectiveness of the support they provide.

1.35. Creative Skillset supports skills and training for people and businesses to ensure the UK Creative Industries maintain their world class position. We do this by influencing and shaping policy, ensuring quality and by securing the vital investment for individuals to become the best in their field and for businesses to grow.

1.36. As the Committee may know, there are two Sector Skills Council operating within the Creative Industries. However, this specific inquiry focusing on sectors covered solely by Creative Skillset and, therefore, we address and comment on these issues and questions from this point of view.

1.37. Creative Skillset’s track-record of strategic engagement with Scotland’s key public bodies stretches back nearly 15 years. As a sector skills council, Creative Skillset was fully recognised by the Scottish Government in its approach to skills and training policy as having strategic responsibility for leading the industry’s skills drive.

1.38. Creative Skillset should be a key strategic partner with these public bodies, delivering world-class primary and secondary industrial intelligence and leading expertise on skills issues facing employers, employees and aspirants alike.

1.39. We have strategically partnered Creative Scotland (and one of its predecessors, Scottish Screen), the Scottish Funding Council, Skills Development Scotland, DCMS and industry to channel nearly £10 million worth of investment into skills and training for the Creative Industries over the last 7 years.

1.40. Creative Skillset recognises that each of the public agencies, with specific reference to Creative Scotland, Scottish Enterprise, Highlands and Islands Enterprise, the Scottish Funding Council and Skills Development Scotland
has an important role to play in supporting individuals' and employers' aspirations in Scotland’s Creative Industries.

1.41. However, there is a concern that there is limited sector-expertise within the key public bodies. Creative Scotland for example has limited expertise or experience relating to the games sector. Their sole research into the industry produced the 2012 economic impact report (commissioned by CS and SE) which valued the games sector at £0 and reported there were <200 people working within it.

1.42. It is our view that greater clarity and definition must be achieved in relation to how and where Creative Skillset is positioned within the leading public bodies given our role as the industry’s strategic skills body across the UK.

1.43. Our industry partners also tell us that the fundamental responsibilities, the impacts they are expected to deliver and, more specifically, the relationship between these agencies must be clarified.

1.44. Industry observes there is an apparent degree of overlap of responsibilities that potentially holds back development. Creative Scotland for example, as “the public body that supports the arts, screen and creative industries” has a uniquely focused role that should place it at the heart of developing Scotland’s Creative Industries. Yet Scottish Enterprise (and to a lesser extent Highlands and Islands Enterprise) have retained their responsibilities and, crucially, budgets to support economic development of the sector.

1.45. Creative Skillset is aware that this tension is a major concern for most industry figures who would prefer to see a single-point of contact for all matters relating to the economic development of the sector.

1.46. Scottish Enterprise also focuses on those companies identified as having potential for major growth (in keeping with its general policy in relation to economic development); while it also limits its activity largely to the digital technology sectors rather than the wider definition of the Creative Industries. This has a significant impact on game developers for example which are now typically smaller than 10 staff and unlikely to grow beyond that. This means the existing SE/SDI criteria for growth (primarily head count) disqualifies >50% of the sector from the high growth pipeline.

1.47. In an economy typified by small and micro-enterprises, with significant levels of freelance working across diverse types of creative content, this approach is at odds with the needs of the sector and potentially holds back the ambitious, small and micro-enterprises that typify the sector. The continued tension between Creative Scotland and the enterprise network in relation to economic development must be examined in order to best serve the sector.

1.48. In specific respect to skills development, Skills Development Scotland (SDS) is the national skills body supporting the people and businesses of Scotland to develop and apply their skills. SDS drives the Skills Planning
Model, improving the skills and learning system to make sure that it responds to the needs of industry, and people have the best possible chance of succeeding in the world of work.

1.49. The Scottish Government has tasked SDS with developing Skills Investment Plans (SIPs) for the priority sectors. SIPs are intended to bring together all intelligence, set development priorities for the sector, and identify solutions and sources of investment. SIPs are part of SDS’ long term activity to build a clear picture of national skills demand and the opportunities for sector growth that can be achieved through investment in skills development.

1.50. These are activities undertaken by Creative Skillset which have delivered for nearly 25 years in partnership with industry. In our view, SDS can harness the strategic space in which Creative Skillset operates and in which Creative Skillset has a significant track-record backed by industry. Investment in Creative Skillset will ensure this level of industrial engagement continues.

1.51. We understand and appreciate the Scottish Government’s focus on developing a deliverable action plan to meet the skills needs of the sector. By working with Creative Skillset, SDS will have access to much needed industrial connections at the right level and across the UK to ensure industry buy-in.

1.52. Furthermore, the prolonged development process of the Skills Investment Plan (circa 2 years) has arguably held back much-needed investment in the sector which Creative Skillset, for example, could have directed more effectively in this time.

1.53. SDS’s rigid adherence to policy in relation to Modern Apprenticeships has also hindered uptake of these valuable entry routes into the sector with many smaller companies being put off by what they view as practises and policies that are not fit-for-purpose in a largely freelance employment economy where permanent contracts are rare.

1.54. We believe there is scope to clarify SDS’ role in terms of recognising Creative Skillset’s leading strategic position representing the voice of industry, influencing and shaping policy, ensuring quality, developing actions and investment.

1.55. The role of private sector investment in supporting the video games and the TV and film sectors.

1.56. Creative Skillset supports the concept of co-investment between the public and private sectors to deliver mutual benefits. We consider private investment a pre-requisite for a successful, ambitious and growing economy.

1.57. Creative Skillset has led on an innovative approach to securing commitment and co-investment from companies within scope for the high-end TV, Film, Animation, VFX and Games tax breaks through the Skills Investment Fund (SIF) – see paragraph 1.29 above.
1.58. SIF investment supports delivery of the following:

- **The Challenge Fund:** Grants of up to £1 million a year are available for individual employers or consortia of employers to deliver creative and practical ways to boost skills and develop talent in their companies.

- **Trainee Finder:** employers can access the best new entrants from a diverse talent pool and also receive match funding.

- **Commissioned Training:** created to address collective industry barriers allowing employers to procure training from approved central resources.

1.59. This fund expires in Scotland in March 2015 and further investment channelled through this platform would enable us to continue developing the productive relationships we have established with leading employers, further leveraging valuable private-sector investment.

1.60. **How the issues that hinder the growth of creative industries can be overcome and how to capitalise on opportunities.**

1.61. Some of the factors hindering growth in the Creative Industries are outwith the direct scope of Creative Skillset. However, as mentioned above, in order to ensure that all parties to the development agenda for Scotland’s Creative Industries take a strategic approach it is essential that all public bodies, industry and their directly appointed representatives on key issues are included at all levels.

1.62. The continued lack of clarity for example, on where Creative Skillset is positioned within the policy and development landscape is a significant weakness in the current approach. At present, with no place in the wider support architecture, industry is being under-represented in skills while the key public agencies are potentially missing a vital level of strategic input based on valid industry intelligence and evidence.

1.63. At an infrastructure level, one of the factors frequently reported as holding back the film industry in particular (but also to a lesser extent the high-end TV production sector) is a lack of permanent studio space. Without such a facility the capacity of Scotland to play host to major studio-based productions is severely limited.

1.64. Furthermore, without a permanent studio it will prove challenging to build the necessary strength and capacity in the facilities sector to service a growing production sector. A permanent studio is also an invaluable training-space to provide a work-based platform for building the necessary skills to support growth and ambition.

1.65. Similarly, the lack of affordable office space for small (<10) companies in city centres is causing problems for the games sector. Co-operative working spaces have been suggested by several contributors.
1.66. The country also lacks any form of support for innovation and creativity in the games sector. There are no funds, spaces or programmes which would allow developers to explore and experiment with new forms of interactive experiences. This has to be addressed.

1.67. Creative Skillset is also aware that access to development and production finance is challenging for many companies ambitious for growth. The level of investment available to productions in Scotland lags some considerable way behind that available in other home nations – In northern Ireland for example, nearly £10 million is available for Production and Development through NI Screen, in contrast to the £3.5 million available in Scotland through Creative Scotland. £25 million is available in the Isle of Man through the Pinewood Pictures - Isle Of Man Media Development Fund.

The key broadcasters need to demonstrate a greater commitment to building local-production and not just implementing “lift and shift” – the practice of relocating existing productions to Scotland from elsewhere in the UK.

The re-location of a key BBC channel to Scotland, placing commissioning authority for that channel in Scotland, would also bring material benefits to support growth in the sector ion Scotland.

1.68. How to retain in Scotland those with the necessary creative skills.

1.69. The sector has a great opportunity to make a mark on the global market for creative content. Without a change in the current approach to supporting development of new streams of skilled and talented individuals however, we risk missing this opportunity.

1.70. And because these industries operate in UK, European and global markets, an industry-led skills strategy for the sector in Scotland must be able to reflect wider issues and challenges as well as the highly local issues across these three areas. A UK-wide skills strategy, that both reflects Scottish industrial priorities and wider industrial issues is therefore essential to ensure the sector operates on an even playing field. Creative Skillset, as the industry-led body responsible for skills in the sector is strategically positioned to lead this drive.

1.71. Creative Skillset’s Industry Strategy and Action Plan (see Appendix 2) is a “roadmap” to developing skills of people across all levels, ages and stages of their career; and a document that can be the foundation of ambitious partnerships between industry, government and the public sector and providers of education and training.

1.72. The retention of creative skills should therefore not be examined in isolation from the wider issue of developing the broader range of skills and the growth of the sector.

1.73. The explosion of digital technology in the Creative Industries has changed workflows, business models and relationships as well as the skills required to manage them; research undertaken by Creative Skillset, highlights the need
for skills in three main areas:

- Fundamental creative skills
- Key craft and technical skills to produce creative content
- Essential business/entrepreneurship skills to commercialise, exploit and capitalise on creative content.

1.74. We are also missing the essential cross-over skills or cross sectoral understanding which would allow greater convergence and more effective use of digital technologies in building new types of experience, or allowing companies to collaborate on projects.

1.75. Organisations and individuals that more successfully develop and retain these three skills areas are better placed for growth. For more information on Fusion Skills see the Creative Skillset report: Fusion skills - perspectives and good practice.

1.76. Delivering the correct blend of skills is therefore a bigger issue than simply retention; to succeed, the industry needs skills across the spectrum – from more diverse new-entrants to seasoned practitioners, producers and business leaders.

1.77. Creative Skillset has a 25-year track-record in high-end industry research and consultation, extensive connections to senior industry figures throughout the UK, and extensive knowledge of the full range of skills and training interventions necessary to build capacity and capability, including at Further and Higher education levels.

1.78. Accurate and statistically relevant research on industry skills gaps and shortages is a pre-requisite to effective workforce planning. Creative Skillset has a track record of delivering valid, industry-backed research. Dating back to 2011, Creative Skillset published a detailed Sector Skills Assessment of the Creative Industries with the specific pages for TV (pg 35), film (pg 40) and games (pg 49) of specific interest to this enquiry: http://creativeskillset.org/assets/0000/6026/Sector_Skills_Assessment_for_the_Creative_Media_Industries_in_Scotland_2011.pdf

1.79. Creative Skillset also supports Screen Academy Scotland – one of only three Creative Skillset industry-accredited film academies in the UK – through the Film Skills Fund and has brought wider industry accreditation to 22 FE/HE courses relevant to this enquiry to Scotland.

1.80. There were approximately 1,500 students across all year groups in 2012/13 in the 22 currently “Ticked” courses in Scotland. Of the some 631 students who graduated in 2013 (the most recent year for which information is available), 422 (66%) entered sector-related employment or started new businesses; a further 83 (13%) articulated to higher education from college
courses. This means that 80% of the 2013 graduates moved a positive and relevant destination – 20% more than Creative Skillset’s target of 60%.

1.81. Ultimately, ensuring the industry in Scotland can both retain people with the right skills and attract new and more diverse talent to the sector will be influenced by the extent to which we can promote growth and expansion. A healthy, growing industry will itself help to retain talent and make Scotland a more attractive place to develop careers; progressing an economic development strategy that recognises the key role people play in the success of the Creative Industries is therefore essential.

1.82. Finally, the long-debated issue of whether to build a film studio in Scotland could materially change the industry’s capacity for training and development and open up avenues to enhance sub-sector’s currently under-represented in the economy. A new digital VFX sector, for example, grew up around Game of Thrones in Northern Ireland.

1.83. A major studio presence would also provide a focal-point and permanent industry-base for training and development linked to real experience and productions – we’ve seen this happen over the years in our work in Northern Ireland with Game of Thrones production where we have collaborated to invest in training of all grades from set crafts and runners through to production and series production.

1.84. How to support those in the TV and film and video games industries to develop business skills.

1.85. Creative Skillset is already working with a range of partners on ensuring the industry has access to talented individuals with effective business skills. Creative Skillset’s industry accreditation of FE and HE demands that business is covered within course provision as part of the accreditation criteria. This is enshrining business skills in all relevant, accredited courses at levels appropriate to the age and stage of participants.

1.86. Creative Skillset has also experience of mentoring within an industrial context to ensure that higher-level business skills are transferred.

1.87. The lack of CPD within the games sector is a major issue and means that the growing number of entrepreneurs in the sector are learning on the job, or making do with generic business training. This is a major skills gap and one which is a key factor in the ongoing lack of commercial success in the country’s games sector.

APPENDIX 1

The Creative Skillset Scotland National Advisory Board is responsible for guiding and supporting the work we do in Scotland.

The board ensures that Scotland’s leading employers, trade unions, further and higher education and public agencies are integral to how we work.
Their input aids us in designing ways to develop the skills of the 37,000 people working in Scotland’s creative industries.

Membership

Alasdair Smith, Scotland Director, Creative Skillset

Amanda Millen, Development Producer, Highlands & Islands Enterprise

Bobby Hain, Director of Channels, STV

Carol Sinclair, Director, TRC media

David Hartley, Manager of Digital Markets, Scottish Enterprise

David Martin, Sector Manager, Creative Industries, Skills Development Scotland

David Thomson, Director, Ludometrics

Donald Iain Brown, Head of Talent Division, BBC Scotland

Donald Campbell, Chief Executive, MG Alba

Fearchar Macillfhinnein, Branch Secretary, BECTU

Grant Ritchie, Associate Principal, Dundee College

Gregor White, Abertay

Helena Ward, Portfolio Manager, Creative Scotland

Jenny Todd, Associate Publisher, Canongate

Joanna Dewar Gibb, Screen Facilities Scotland

Jonathan Warne, Director of Publishing, IWC Media

Julian Westaby, Director, Dunning Design

Karen Smyth, Managing Director, La Belle Allee Productions

Kate O’Connor, Executive Director, Creative Skillset

Marion Sinclair, Chief Executive, Publishing Scotland

Nick Higgins, UWS

Robert Quinn, Head of Humanities, Arts and Business, SQA

Prof. Robin MacPherson, Director, Screen Academy Scotland

Scott Russell, Digital Publishing Specialist, Scott Russell Publishing Services

Stuart Barrie, Programme Controller, Capital FM

Stuart Bell, Operations Director, Carat
Suzanne Burns, HR Director, STV

Walter McCrorie, Chair, Scottish Animation Group
APPENDIX 2

Creative Skillset (Scotland) Business Plan 2015-18

An Industry Strategy and Action Plan for Scotland’s Creative Industries

Executive Summary

Scotland’s Creative Industries face well-recognised and researched skills challenges if they are to thrive and grow. These challenges hold back ambition, innovation and productivity, and limit capacity for expansion.

As the industry skills body for Scotland’s Creative Industries, Creative Skillset Scotland empowers the Creative Industries to develop skills and talent; we do this by influencing and shaping policy, ensuring quality and by securing the vital investment for individuals to become the best in their field and for businesses to grow.

We work across film, television, radio, fashion, animation, games, visual effects, textiles, publishing, advertising and marketing communications.

This industry strategy for Scotland is the foundation for an ambitious programme of action that aims to support sector-growth through skills in Scotland’s Creative Industries.

This bold, innovative and ambitious programme aims to deliver for a sector facing urgent skills gaps and shortages that need resolved if we are to remain globally competitive.

This document sets out our vision for a future where Scotland’s Creative Industries are at the top of their game, growing successful businesses and leading the charge to build wealth for the Scottish economy.

With appropriate support and partnerships Creative Skillset Scotland can make a real difference to Scotland’s Creative Industries through a range of industry-backed interventions, including:

- incentivising and empowering employers to invest in skills development programmes
- raising investment from the sector to invest in skills and training on an industry-wide basis
- raising the bar in terms of industry-accredited FE/HE provision to ensure a healthy supply of skilled and talented new-entrants
- building capacity and demand in industry for Modern Apprenticeships
- supporting the growth of industry infrastructure to support apprenticeship programmes
- helping new graduates into their first jobs
• commissioning valuable CPD in key skills areas

• researching and analysing industrial Labour market Information annually across key sub-sectors in Scotland to inform future interventions and ensure value-for-money investment in skills

• enhancing sector-specific careers information, advice and guidance to support school-leavers in making more informed career choices, and supporting the workforce with their future career planning.

These actions aim to ensure excellence and experimentation across the arts, screen and creative industries is recognised and valued, supporting individuals and organisations across Scotland to develop and produce high-quality work through engagement with industry-standard CPD.

We furthermore aim to create space for debate, critical thinking, risk and experimentation, encouraging connections across the arts screen and creative industries, making the most of digital technologies. Our focus on industry-accredited FE/HE provision directly engages with this theme, while our expertise in skills priorities with digital markets and in creating “fused” curriculums will support the drive for innovation.

Our track record in careers information, advice and guidance means we are uniquely-placed to establish and signpost clear pathways to enhance careers and support emerging talent, while collaborations with industry to provide a wider range of (paid) trainee opportunities will broaden the range of new routes into the sector.

By supporting open access to our work we will ensure everyone can access and enjoy artistic and creative experiences, supporting the aspiration that the arts, screen and creative industries are recognised as widespread and inclusive.

Creative Skillset Scotland is committed to supporting diversity and equality across all areas of activity. Policies and procedures exist already (but will be reviewed) to guarantee equality of access and participation and support wider industrial diversity. Through our ongoing labour market research we will continue to monitor diversity in the sector and campaign for a more balanced workforce.

An enhanced industrial skills base will also strengthen the presentation, touring and distribution of work, through digital platforms and encouraging collaboration. Through reinforcing practice-based learning in accredited FE and HE programmes we will drive digital innovation and a fused curriculum that demonstrates a positive balance of craft/technical skills, creativity and entrepreneurial flair leading to stronger presentation and new approaches to distribution based on continuous innovation.

Creative Skillset Scotland’s challenge to industry, to identify and address skills gaps and shortages that act as barriers to new ways of presenting or distributing content, empowers them to take decisive action to build capacity and capability that will lead to growth and incentivises their own investment in targeted development.
Finally, our strategy and action plan will foster an environment where participants, audiences and consumers value and can confidently engage with the arts, screen and creative industries by underpinning the strategy through industry ownership. High-level skills in creating, producing and distributing quality content will support an increase in output that engages with more, and more diverse audiences in Scotland, the UK and beyond.
An Industry Strategy and Action Plan for Scotland’s Creative Industries

Industry Strategy

Creative Skillset Scotland empowers the Creative Industries to develop skills and talent; we do this by influencing and shaping policy, ensuring quality and by securing the vital investment for individuals to become the best in their field and for businesses to grow.

As the industry skills body for Scotland’s Creative Industries, we work across film, television, radio, fashion, animation, games, visual effects, textiles, publishing, advertising and marketing communications.

Leading figures and employers from the sector in Scotland have committed their support to our activities and have benefitted from our work to date, including: BBC Scotland, STV, IWC, Ludometrics, BECTU, Young Films, Red Kite Animation, Digimania,

Creative Skillset Scotland also has a rich history of collaboration with Scotland’s leading public bodies such as SQA, Skills Development Scotland, Scottish Funding Council and the Scottish Government.

This industry strategy for Scotland is the foundation for an ambitious programme of action that will support sector-growth through skills in Scotland’s Creative Industries.

This document sets out our vision for a future where Scotland’s Creative Industries are at the top of their game, growing successful businesses and leading the charge to build wealth for the Scottish economy.

Mission

To drive greater ambition for, and investment in, the skills and talent base of Scotland’s Creative Industries.

Vision

Scotland’s Creative Industries enhance their global reputation for quality and contribute to increased job and wealth creation, as a result of greater ambition and better, more focused investment in skills and talent development.

Creative Skillset Background

Creative Skillset Scotland is the industry skills body for Scotland’s Creative Industries. We work across film, television, radio, fashion, animation, games, visual effects, textiles, publishing, advertising and marketing communications.

Creative Skillset Scotland operates as part of a UK-wide body, run as an independent charitable organisation owned and managed by the industries we serve and governed by a Board of Trustees comprising some of the UK’s leading international figures in the Creative Industries.
Creative Skillset Scotland has operated since 2001, with rigorous local governance in place through a national board comprising leading industry figures, FE/HE and key public bodies (See appendix 1 for membership).

We are uniquely focused on identifying and working to address the skills needs of the Scotland’s Creative Industries and have a significant track record of delivery going back nearly a quarter of a century in campaigning for and raising investment in skills for the Creative Industries. In this time we have:

- Built a foundation of rich, industry-backed research and intelligence that has led the way in terms of UK and Scotland policy development across a number of critical areas such as diversity.

- Secured major investment (£16 million over two years to March 2015) in skills and training for the sectors in scope for UK tax credits – film, high-end TV, animation, games and VFX – from the UK government. The Skills Investment Fund (SIF) leverages equivalent investment from industry: in Scotland from Sept 2013 to March 2014 we committed circa £560,000 from this fund (leveraging the same from employers) to development projects, exposing previously untapped demand and ambition for training and development linked to company growth.

- Developed and introduced industry-led accreditation of further and Higher Education courses – 22 accredited courses in Scotland across 10 institutions operating as an integrated Network of Excellence for industry.

- Built a suite of careers IAG materials to help everyone from school leavers to seasoned industry professionals plan their development and make informed career choices.

- Worked with the UK’s film industry and BFI to develop and invest in a focused Film Skills Strategy with major impacts on Scotland.

- Pioneered collective arrangements for industry to invest in skills and training through production levies in film, high-end TV and animation.

- Developed and maintained an extensive suite of National Occupational Standards for the Creative Industries: the building blocks of qualifications and apprenticeships.

- Developed or informed (with awarding body partners like SQA) an extensive range of vocational qualifications tailored to industry-needs.

- Developed and introduced Modern Apprenticeships in Scotland to sectors previously without provision: Creative and Digital Media, and Fashion and Textiles. Over 500 Modern Apprentices have been registered since launching in 2011.

**Strategic Plan Themes**
This industry strategy for Scotland is driven by the employers and communities served by Creative Skillset Scotland. It provides an industry-led structure to underpin an ambitious programme of action designed to support growth through skills in Scotland’s Creative Industries.

It also provides a valuable industrial context within which plans and actions of other important stakeholders – such as Skills Development Scotland, Creative Scotland and the Scottish Funding Council – can be recognised.

The strategy is based on sound qualitative and quantitative research and direct industry engagement across Scotland and the UK at the highest level and across all sub-sectors within Creative Skillset’s footprint. The strategy reflects where the Creative Industries currently are in terms of development, and presents a foundation for how they propose to drive their development and growth.

There are five externally-focussed strategic themes:

1. **Owning our Industrial Growth:** Scotland’s Creative Industries take greater responsibility for planning and investing in their own skills needs to support economic growth.

2. **Opening Doors:** Clearer entry pathways into Scotland's Creative Industries for diverse new talent, focusing on careers, apprenticeships, internships and traineeships.

3. **Raising the Bar:** The quality and relevance of available training and development strengthened through: developing and reviewing National Occupational Standards (NOS); quality assurance of FE/HE courses (via Creative Skillset Course Accreditation); and driving curriculum policy and skills infrastructure.

4. **Quality Skills for Individuals:** Providers of skills training continually challenged to build the quality and relevance of provision; ensuring that available training is best matched to industrial priorities and learner needs.

5. **Support for Companies:** Companies and employers able to develop as world-class leaders driving innovation and economic growth. At the same time, businesses will identify and access training and development to enhance capacity, capability and growth prospects.

There are two further themes that support Creative Skillset to deliver on behalf of industry:

6. **Sustaining our Business:** ensuring that as an independent, industry-owned organisation Creative Skillset develops a sustainable business model.

7. **Communicating Effectively:** supporting the industry through effective external and internal communications.

Our vision is complementary to the Scottish Government's Economic Growth policy which focusses on sectors of the economy demonstrating most significant potential
for growth. The Creative Industries are included in the Scottish Government’s list of priority sectors.

Scotland Context

Scotland’s creative economy remains a significant contributor to the Scottish economy, even after significant damage following the recession. Overall, the sector employs around 65,000 people in around 12,500 business creating £2.7 bn GVA to the Scottish economy.

The sector is defined by a diverse range of sub-sectors with growth expected to come mainly from those that compete in digital markets; Creative Skillset Scotland’s footprint covers a significant proportion of those operating in this arena.

The employment model in the sector continues to stray from more established, regular models with self-employment and freelancing particularly dominant in some sub-sectors – such as TV and film production. Freelancing is also a growing trend in computer games. This presents certain challenges in terms of accessing and providing CPD for personal career development.

As in other parts of the UK, diversity across the sector is poor with clear challenges in terms of raising employment levels of under-represented groups.

Sector Growth

Work recently undertaken by Skills Development Scotland confirmed predictions that the sector was expected to grow meaningfully over the coming years: indeed across the UK as a whole, growth in the creative economy is expected to outpace many other leading sectors.

Translating this growth into demand for skills and talent means that in Scotland we will need to fill in the region of 4,300 new jobs each year across the sector: 3,000 replacement jobs and 1,300 new opportunities.

This draws into sharp focus the need to invest now in programmes targeting individuals’ and employers that will help support the expansion of this future workforce.

This is in line with Scotland’s Economic and skills policy which supports a focus on sectors of the economy demonstrating most significant potential for growth. The Creative Industries are included in the Scottish Government’s list of priority sectors.

The Wood Report

On 3 June 2014, Sir Ian Wood published ‘Education Working for All!’ the Commission for Developing Scotland’s Young Workforce’s final report.

As an industry-owned and led organisation, Creative Skillset Scotland is particularly supportive of the emphasis in the report on building stronger partnerships between employers and Scotland’s schools and colleges. Creative Skillset’s fundamental role is to foster closer links between industry and education.
Many of the actions we wish to focus on over the next 3 years are complementary to recommendations held in the report and we foresee a powerful role for Creative Skillset in articulating employer demand to assist with this important agenda for growth.

In particular, our plans align with the recommendation to enhance education/business partnerships and foster more widespread engagement between industry, schools and regional colleges.

**Skills Development Scotland – Skills Investment Plan**

SDS’ Skills Investment Plan for the Creative Industries – currently being finalised – references a range of commonly accepted challenges in a statement of skills needs for Scotland’s Creative Industries sets out a framework for partnership between the public, private and education sectors to prioritise investment to support economic growth.

Creative Skillset Scotland is committed to collaboration with SDS as it further refines this plan and explores new opportunities for investment beyond the ambitions we have already identified.

**SWOT Analysis**

In considering these contextual elements, we have conducted a SWOT analysis as summarised below:

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<th><strong>Strengths</strong></th>
<th><strong>Weaknesses</strong></th>
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<td>• Creative Industries signposted by Scottish Government as a priority economic development sector.</td>
<td>• Sector dominated by small and micro businesses with a significant freelance employment model.</td>
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<tr>
<td>• Creative Skillset is uniquely positioned as the industry voice, bringing together diverse sub-sectors, on skills issues to advocate, lobby and take action on the skills needs focused on growth.</td>
<td>• Lack of historical investment in skills.</td>
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<td>• Increasing evidence that employers are willing to invest in skills and talent development if suitably incentivised.</td>
<td>• Poor levels of diversity in the sector means the workforce is not adequately representative of the population in general.</td>
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<td>• Major success stories from Scotland’s Creative Industries are a valuable platform for future growth, attracting attention from outside markets.</td>
<td>• Crowded graduate market makes it often difficult for employers to differentiate between graduates ready to take on new job roles.</td>
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<tr>
<td>• Significant employment levels and company base supports wide range of</td>
<td>• Low levels of digital skills inhibiting exploitation of new opportunities.</td>
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<td>opportunities.</td>
<td>• Poor engagement between schools/colleges and industry.</td>
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- New models of industry-led education and training means new graduates from accredited courses are better prepared than ever to enter industry.

- SDS Skills Investment Plan to focus efforts on supporting Skills development.

- Solid base of digital employment opportunities is a recognised growth area for the industry in Scotland.

- Increasing recognition of the potential for Modern Apprentices across key creative sectors.

- Lack of historical engagement in apprenticeship programmes, especially in Creative and Digital Media where graduate recruitment has been the norm.

- Lack of coherent structures to support collective efforts to address industry issues.

- Reliance on incentives via external funding to initiate industry investment.

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<th>Opportunities</th>
<th>Threats</th>
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<td>Predicted demand for new jobs (4,300) indicates a need for focused effort on skills development. This is in addition to the need to plug skills gaps via ongoing CPD programmes.</td>
<td>Intense levels of competition not just from the UK but internationally can squeeze Scottish employers out of the market.</td>
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<td>Employer demand for new/updated skills and willingness to invest.</td>
<td>Continued lack of investment from industry in the skills and talent base of the workforce.</td>
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<td>Existing Government support for Modern Apprenticeships provides levels of resource to support training of new entrants within scope of the rules supporting MA funding.</td>
<td>Industry continues to focus recruitment on graduates rather than on new models of Apprenticeships.</td>
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<td>Industrial levies ensure a base level of available investment in skills and training, driving a model of increased employer ownership and direction of the skills agenda.</td>
<td>Independence vote in Scotland’s referendum holds back investment in Scotland’s Creative Industries.</td>
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<tr>
<td>“Wood Report” is an opportunity to strengthen education/industry partnerships as delivered and supported via Creative Skillset’s Network of Excellence in Media Education and via our industrial</td>
<td>Continued delay in publication of SDS’ SIP and subsequent agreement on investments leads to continued inertia to address the sectors’ skills needs.</td>
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connections.

- SDS Skills Investment Plan should open up more flexible opportunities for employers to develop their workforce.
- Independence referendum focusses the world’s attention on Scotland’s Creativity.
- Sectoral developments such as via Independent Producers Scotland, Screen Facilities Scotland and the Scottish Games Network provide platforms for sectoral engagement.

**Delivering the strategy**

Creative Skillset in Scotland is governed by its National Board: the one place where the industry comes together to own the skills agenda, help identify issues and solutions, and influence how all stakeholders in Scotland’s skills and learning environment satisfy employer demand for new skills and talent.

The board is uniquely placed to provide strategic leadership and guidance along with a forum for debate and discussion that engages with Scotland’s public sector agencies and leaders in FE/HE in a unified and coordinated approach to sector-skills development.

The Board will have a central and important role in monitoring performance and delivery against targets and milestones

The board is chaired currently by Bobby Hain, Director of TV at STV; previous chairs have included: Ken MacQuarrie (Director, BBC Scotland), Donald Emslie (CEO Scottish Television).

Executive leadership to deliver the strategy is via Creative Skillset’s Scotland Director together with a Glasgow-based administrator/co-ordinator. A multi-disciplinary team of sector and functional professionals from across Creative Skillset’s UK operations is also available ensuring that this proposal is a realistic and deliverable proposition over the three year period. Specifically, this will include a FT dedicated Quality and Accreditation Advisor and FT SIF Investment Coordinator.

Associates/consultants will be used only where existing capacity or capability is unavailable or offer greater flexibility and value for money.

Creative Skillset Scotland operates a structured approach to project management, ensuring that delivery happens in a controlled environment, linked to effective financial control and to a balanced approach to risk.
In planning and implementing the roll out of the actions, each strand will have an individual project plan developed with key milestone targets established, along with a detailed risk assessment.

Project plans and updated risk assessments are reviewed every month by Creative Skillset’s SMT ensuring any emerging issues are identified in a timely manner.

**Financial and Project Management**

Creative Skillset has substantial experience of operating stringent financial controls, and of monitoring and reporting at a UK and national level. A dedicated finance and contracts team provides expert professional support to ensure all compliance demands are met.

Most recently, Creative Skillset has concluded the reporting on a UK-wide project worth £6 million grant from the UK Commission for Employment and Skills (UKCES), delivering against all milestones and contractual obligations on time and on target.

Our significant track-record of managing project funds effectively is further evidenced through conclusion of recent negotiations on a grant from UKCES in excess of £20 million (funding for England only). UKCES together with the Westminster Government, following intense due diligence, are satisfied that our controls are appropriate to the delivery of such a significant grant.

[A DETAILED ACTION PLAN CAN BE PROVIDED TO THE COMMITTEE ON REQUEST]