

Unpacking the Creative Industries Sector Deal

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Department
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Media & Sport



Agenda

- Creative industries overview
- The rationale for a sector deal
- Process and content of the sector deal
- Unpacking the sector deal for LEPs
- Next steps
- Q&A



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Creative Industries overview

‘those industries which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property.’



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What makes the creative industries special?

- **Fast growing**
 - x2 speed of economy as a whole
 - 5% year-on-year growth in jobs
 - 27% of jobs 'createch'
- **High exporting with growing global demand**
 - (+44.3% since 2010)
- **High resistance to automation**
 - 87% of jobs at low or no risk
- **Rich in IP**
- **Soft power**
- **Gives places a strong identity**
- **Other assets...**



Beneath the headlines

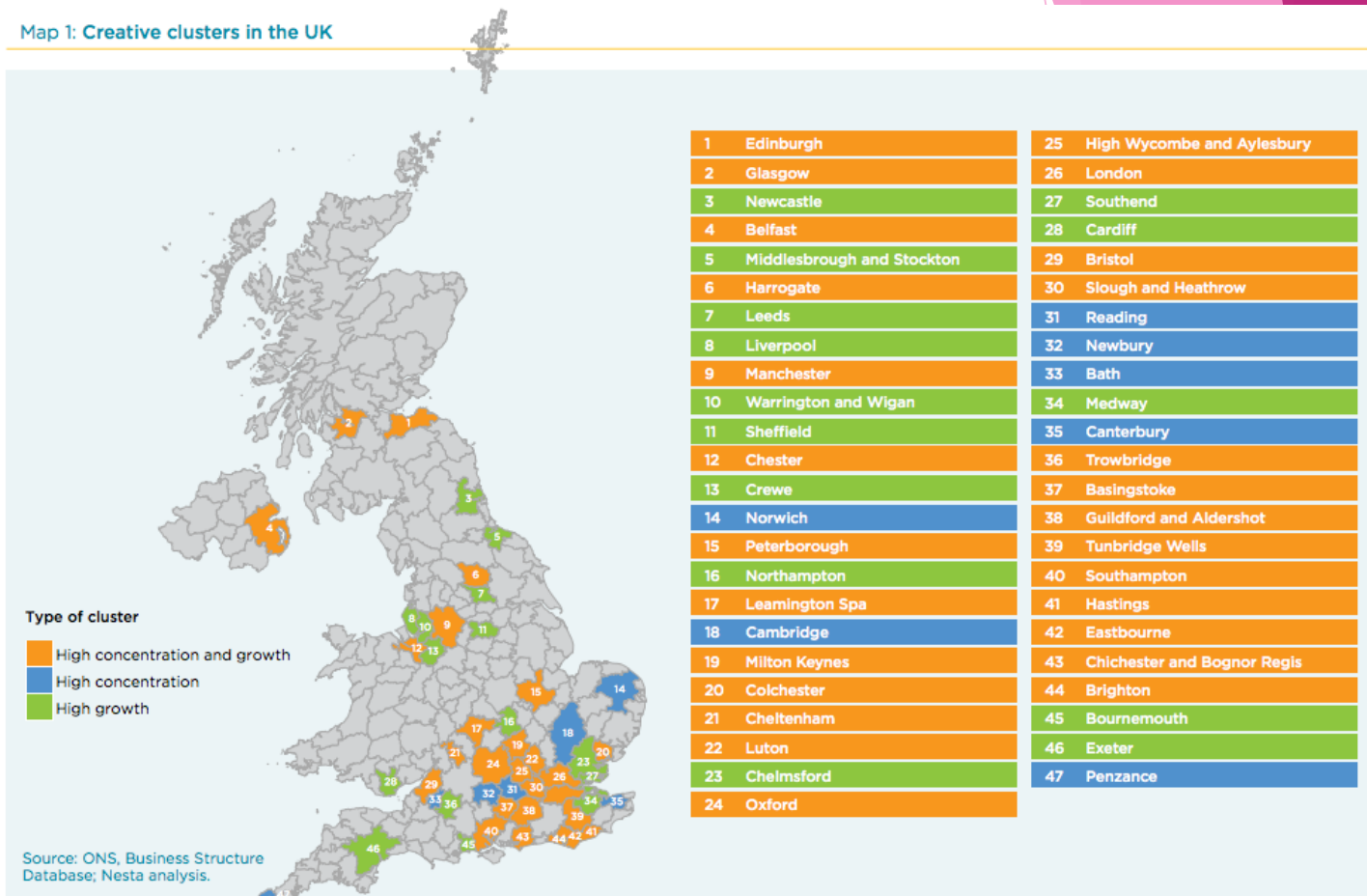
Sector is doing enviably well, but...

- **Regional imbalance**
47% of Creative Industries employment in London and South East England (total % UK economy in these regions c.32%).
- **Diversity**
Still not representative of UK society or its audience
- **Microbusinesses**
Scale-up and economies of scale
- **High rates of freelancing**
47% of sector is self-employed cf. 15% across economy
- **Competition from overseas**
Developed and developing countries
- **EU Exit**
Talent, funding, x-border collaboration...



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Map 1: Creative clusters in the UK



Creative Industries sector deal

Content and process

Content

- Sir Peter Bazalgette Review
- Themes: Place, Business environment, Ideas, People, [Infrastructure]
- £150m joint investment from government and industry
- Key commitments including: CDF (£20m), investment in immersive technologies (£58m); AHRC programme, reconfigured trade board; creative careers campaign to reach min. 2,000 schools; commercial investment programme for business angels.



Process

- BEIS-led process
- Industry providing ideas and evidence
- Loose negotiating roles, including industry leads
- DCMS as gateway to OGDs
- Writeround, press and launch - including announceables
- Design and delivery phrase

The Prize

The Bazalgette Review forecast that a successful agreement could enable UK creative businesses to:

- **Increase exports:** delivering a 50 per cent increase in reported creative industries exports by 2023.
- **Sustain growth:** forecast GVA of £150bn by 2023.
- **Boost jobs:** continued strong growth implies 600,000 new creative jobs by 2023.
- **Narrow the gap** in creative business activity between the South East of England and the rest of the UK.
- **Be more representative** of UK society: opening careers to a wider range of people.

What's in this for Local Enterprise Partnerships

DCMS Objective - Ensure the UK's fastest growing and most creative sectors are open to all and continue to drive our strong economy

- Address asymmetries of **information, support and resources**;
- Support businesses to **scale-up (bigger, more productive)**;
- Promote collaboration across **value chain and between sectors**;
- Enable high quality, diverse pipeline of talented people taking up careers in the creative industries - **Understanding skills, talent and leadership needs**;
- Build on unique strengths - **Help places understand and build upon their various fortes**;
- Encourage resilience in face of Brexit, **managing impacts and opportunities**.

We can't work in echo chamber to drive these things. How much is also relevant to LEPs? Case for genuine partnerships.

What's in this for Local Enterprise Partnerships

Support LEPs in alignment with wider-Government thinking:

Strengthen Institutions - Empowering LEPs, Mayoral Combined Authorities, but can include private and third sector;

Developing Strategies - Creative aspects of Local Industrial Strategies;

Resources and Initiatives - Signposting to DCMS's own, complementing X-Gov (Shared Prosperity Fund) and region-specific (Northern Powerhouse, Midlands Engine etc.)

What's in this for Local Enterprise Partnerships

Sector Deal relevance to LEPs, supporting wider-Government thinking:

- **Strengthen Institutions** - 'Creative Local Industry Partnership', DCMS convening power to bring together government and creative sector to share information.
- **Developing Strategies** - DCMS and sector support to develop creative aspects of Local Industrial Strategies, learning from collective experience;
- **Resources and Initiatives** - Signposting to DCMS's own, complementing X-Gov (Shared Prosperity Fund) and region-specific (Northern Powerhouse, Midlands Engine etc.)

Initiative	Audience	Timescales
<p>£20m Cultural Development Fund - Transformative culture-led economic growth and productivity strategies by investing in place-based cultural investment.</p> <p>Industry will develop a supporting Creative Kickstart Programme to provide firms in clusters with mentoring and advice on finance, exports and IP including a creative industries roadshow to introduce businesses and investors.</p>	<p>Bids from a partnership for towns/cities, led by a local authority, LEP, or other appropriate body, who would lead consortium of partners.</p>	<p>CDF is expected to launch in June 2018.</p> <ul style="list-style-type: none"> - Two-stage application process. - Announcement of projects in - January 2019 - Spend begins Q4 2018-19 - Projects completed by Q4 2020
<p>AHRC Creative Industries Cluster Programme (CICP), £64m investment to deliver eight R&D partnerships and a Policy and Evidence Centre.</p>	<p>Creative businesses and higher education institutions across the UK.</p>	<p>In progress: 22 bids shortlisted for 8 spots. Final list of partnerships announced in Summer 2018. Lead for the Policy and Evidence Centre announced imminently.</p>
<p>Audiences of the Future. £58m to enable creative businesses to harness the power of immersive technologies to create content, products and services.</p>	<p>Creative businesses and higher education institutions across the UK.</p>	<p>Final timescales TBC, will be launched by UK Research and Innovation imminently.</p>

Initiative	Audience	Timescales
<p>Access to Finance - BBB commercial investment programme to support clusters of business angels. We will help creative firms access finance by investing up to £4m (subject to business case) in a programme of intensive business investment readiness support.</p>	<p>Individual businesses or business clusters.</p>	<p>Autumn 2018 launch.</p>
<p>Supporting a strong and sustainable talent pipeline: up to £2m available (subject to business case). Includes support for an industry led creative careers programme and industry development of apprenticeship standards.</p>	<p>Career programme can be focussed on region/place. Can be informed by local knowledge of skills supply and demand. LEPs can feed into this.</p>	<p>Autumn 2018 launch. Careers campaign live early 2019.</p>
<p>Supporting entrepreneurialism, access to finance and IP creation in a trailblazing creative sector: we will provide an additional £1.5m for the highly successful UK Games Fund so that it can support more young businesses in 2018/9 and, as announced in the Budget, extend the programme to run in 2019/20.</p>	<p>UK wide, open to teams of developers, irrespective of experience. Can be signposted by regions and universities.</p>	<p>Ongoing.</p>

Next steps

- Project delivery
- Working with industry to develop business cases (e.g. careers strategy)
- Commercial and financial processes
- Areas where there is continued discussion
- Published milestones (next slide)

Date	Milestone
Mar 2018	Creative Industries Sector Deal launched.
Apr 2018	Audiences of the Future Challenge launched.
Summer 2018	<p>CIC meeting to review delivery plans.</p> <p>AHRC Creative Industries Clusters Programme Research Partnerships announced. Location of the creative industries Policy & Evidence Centre announced.</p> <p>Createch event.</p> <p>Inaugural 'Creative Local Industries Partnership' forum.</p> <p>First meeting of the creative industries Trade and Investment Board.</p>
Autumn 2018	<p>British Business Bank Commercial Investment Programme launched.</p> <p>Creative Industries Careers Programme launched.</p>
Winter 2018	<p>Inaugural creative industries Roadshow.</p> <p>Creative Kickstart Programme Launched.</p> <p>R&D Working Group to report findings.</p>
Dec 2018	Review of the effectiveness of voluntary measures taken under IP proposals and the need for legislative action.
Mar 2019	Annual Review of the Sector Deal including considering further measures as appropriate.
Q1 2019	Careers campaign launched.

Key documents

[CI sector deal](#)

[Sir Peter Bazalgette Review](#)

Discussion: LEPs taking forward the Creative Industries Sector Deal in Local Industrial Strategies

Please consider the following questions by table, appointing someone to take notes [30 mins] and report back to the room [15 mins]

Discussion

Reactions to Local Industrial Strategies and the sector deal:

1. **What is most/least of interest**, and where do you see potential for your area to engage around:
 - Business environment
 - R&D / ideas
 - Skills
2. **What can you bring** (resources, expertise, connections)?
3. **Fit with other programmes** and spending from central government and elsewhere: what are the linkages we should be making in taking forward the design of programmes?
4. The sector deal is designed to be iterative: **where could we go further?**

Terms of Reference Questions

- Does the purpose sound right? - What would LEPs find valuable?
- Membership:
 - Balance of industry insight, without conflicts of interest?
 - Comfortable with Core Cities group and more Combined Authority involvement?
 - Devolved Administrations - working with LEP equivalents.
- Regularity and format?
- How should this interact with other government forums you attend and LEP review?