

## SUBMISSION FROM SKILLS DEVELOPMENT SCOTLAND

### 1. Introduction

Skills Development Scotland (SDS) welcomes the opportunity to respond to the Economy, Energy & Tourism Committee's inquiry into the economic impact of Scotland's gaming and film and TV industries. In this submission we specifically look to outline our pivotal role in three areas identified for investigation:

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

How to retain in Scotland, those with the necessary creative skills;

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

SDS is Scotland's skills body, focused on contributing to the delivery of the Scottish Government's Economic and Skills Strategies. Our services are further shaped by the Scottish Government's Career Information, Advice and Guidance Strategy and the recent refresh of the Youth Employment Strategy, which aligns with the recommendations of the Commission on Developing Scotland's Young Workforce.

We set out our vision, future development and delivery plans in our Corporate Strategy (2012-15) and annual Operating Plan.

SDS's key aims include the delivery of support to young people and small and medium sized businesses. SDS has a key role in both supporting people towards and into employment, and enabling individuals to progress within their jobs. SDS is working collaboratively with individuals, employers, training providers and partners throughout Scotland to raise aspirations and create a more skilled workforce, thus contributing to the Scottish Government's overarching purpose of increasing sustainable economic growth with opportunities for all to flourish.

### 2. The role of public sector agencies in the sector – SDS's role

An issue raised in discussions thus far has been that those in the sector perceive there to be a cluttered funding landscape in relation to public sector funding. We thought it may be helpful for us to outline SDS's key role in the sector and how we work with partners in this area:

Through the development of a Skills Investment Plan (SIP) (due for publication Spring 2015) for the Creative Industries, we are focussing on identifying the skills needed to support growth of the sector, thereby improving the articulation of employer demand in a consistent way. SDS has a key role to play in articulating the future skills needs of industry. As the Committee will be aware, SDS has published SIPs for the Finance and ICT sectors, Life Sciences, Chemical Sciences and Engineering sectors, adding to the existing Food and Drink, Tourism and Energy sector SIPs. SIPs outline the priorities and actions needed to enhance skills within the sector. More detailed information on the draft Creative Industries SIP is outlined below in Section 3.

Through wider employer engagement across small and medium sized businesses,

we aim to work with industry to help address the skills needs of companies. We provide local and national businesses, and industry, with tailored support and funding to grow, through our dedicated Creative Industries Sector Manager and our Employer Engagement Services Team. The employer team works closely with local and regional stakeholders such as Business Gateway, local authorities and employability partnerships to ensure SMEs are fully informed of all skills and training support available. The Employer team also provides direct, hands-on support to employers and their representative bodies including the FSB, Chambers of Commerce, Business Gateway, Local Authorities and trade bodies such as the Scottish Textiles & Leather Association. Here, SDS contributes to and supports local businesses respond to the skills agenda at Regional Industry Training Groups in the Scottish Borders and Tayside, and will work with new Groups planned for West of Scotland and the Highlands & Islands. In addition, SDS focuses on large growth companies and high participation sectors, working in close collaboration with partner NDPBs with the common aim of providing the right services at the right time. More information on this area of work is available in Section 4.

We provide individuals, in particular young people, with Careers Information Advice & Guidance (CIAG) in relation to the creative industries, through our careers web service, My World of Work and face to face CIAG. My World of Work is an essential tool in promoting different types of jobs and growth sectors to young people, as well as their parents. In tandem with this we are working intensively to encourage industry to actively engage with schools and school pupils, so that they are aware of different careers available to them.

### *2.1 Scottish Creative Industries Partnership (SCIP)*

SDS is also an active member of the SCIP, which was set up by the Scottish Government to ensure that the public sector is joined up, improving its knowledge and response to the creative industries sector, spotting opportunities and addressing barriers. Membership of SCIP comprises Creative Scotland, Scottish Enterprise, Highlands & Islands Enterprise, SDS, Scottish Funding Council, COSLA via Business Gateway and VOCAL.

Over recent months, SCIP members have mapped out their public services offer to Scotland's creative industries, and SDS has actively participated in this work. Once complete, it will provide a benchmark by which to evaluate public agencies' ongoing activity, products and services in support of business growth across Scotland's Creative industries. We understand that this will lead to the setting of a reinvigorated and inter-agency growth strategy statement for this key sector in 2015 under the umbrella of SCIP.

### *2.2. Creative Industries: Gaming & Film & Television Production*

The [Scottish Government's Growth Sector Statistics Database](#) clearly evidences the continuing significance of Scotland's Creative Industries in respect to scale, employment and growth within Scotland's overall economy. However, it also highlights which sub-sectors of this key-growth sector are moving forward with the greatest impacts on employment and turnover.

Table 1 below demonstrates that Digital (32.36%), followed by Visual Art (29.45%) and Books and Press (15.31%) account for some 77% of all employment in Scotland's Creative Industries, and slightly over 87% of all turnover generated by the sector.

Film and Video and Radio and TV sub-sectors account for some 7.29% of Scottish employment or some 5,000 people. In contrast, Scottish Computer Games are estimated to employ 1,000 people (see Table 2).<sup>1</sup>

Table 1: Summary of Creative Industries by Sub-Sector Groups: Employment & Turnover

Sub Sector	Employment	As % of Total	Turnover (£m)	As % of Total
Visual Art	20,200	29.45	1970.4	35.90
Performance	4,800	7.00	196.4	3.58
Audio Visual	6,900	10.06	494.1	9.00
Books & Press	10,500	15.31	919.3	16.75
Heritage	3,700	5.39	9.1	0.17
Digital Industries	22,200	32.36	1889.6	34.43
Creative Education	300	0.44	9.5	0.17
<b>Totals</b>	<b>68,600</b>	<b>100.00</b>	<b>5,488.3</b>	<b>100.00</b>

Table 2: Breakdown of Audio Visual figures by key sub-sector groupings

	Sub-sectors			
	Audio Visual Total	Film & Video	Computer Games	Radio & TV
Employment	6,900	2,300	1,000	2,700
As % of Creative Industries Total**	10.06	3.35	1.46	3.94
Turnover (£m)	494.1	*	57.1	218.1
As % of Creative Industries Total ***	9.00	*	1.04	3.97

\*= Disclosive Data

\*\*= 68,600 CI Total

\*\*\* = £5,488.3.m

Scottish Enterprise's [Market Assessment of the Broadcast and Television Production Sector in Scotland 2011/12 \(February 2013\)](#) provides a thorough and coherent

<sup>1</sup> <http://www.scotland.gov.uk/Topics/Statistics/Browse/Business/Publications/GrowthSectors/Database> (Table 2.1 and 2.5)

analysis of the strengths and weaknesses of the Scottish Broadcast Production sector, laying out a set of issues for consideration by the agency and the sector at large.

The Creative Industries Skills Investment Plan chimes with this report on a number of key fronts:

- talent identification and succession planning, particularly in the highest level of creative, production and development grades;
- developing understanding and expertise in international markets;
- formats and secondary rights;
- deepening the technical and craft skills base to allow a range of production to be supported via a resident and available pool of labour.

A key dynamic across Scotland's Audio-Visual sub-sector, and across the entire key growth sector, is the significant mobility and economic imperative that exists for individuals and businesses to adopt a mixed portfolio approach and successfully secure contracts across and beyond the sector.

Creative, production and technical talent often work across advertising, corporates, broadcast and film, and, as required, also apply these skills in creative functions within the wider economy, including education. These patterns are often quoted by tertiary education as being one of the difficulties it faces with regard to tracking graduates. SDS wishes to explore this area in further detail, believing that there is real merit in exploring the realities of progression, destination and portfolio careers for Scotland's Creative Industries Graduates.

Below, we summarise some of our key findings on graduate destination and migration in section six of this submission.

### 3. A New Skills Investment Plan for Scotland's Creative Industries

SDS is committed to producing Skills Investment Plans (SIPs) for each of Scotland's growth sectors as identified in the Scottish Government's Economic Strategy (GES). SDS has worked with industry leaders, employers and partners to develop a draft Creative Industries SIP<sup>2</sup>.

The action plan within the Creative Industries SIP is set out thematically and includes four different priority areas, with each of these areas encompassing a number of objectives relating specifically to that theme. The draft SIP identifies where the sector is experiencing difficulty and we believe that many of the identified areas reflect the discussions that have taken place with stakeholders as part of this Committee inquiry to date. The four areas the SIP action plan will focus on are:

Addressing the Digital Agenda – widening and deepening the availability and utilisation of digital economy skills across the whole sector in national and international markets. It will increase the use of digital technology to develop new goods, activities and services to support future growth.

Developing Diversity, Industry Readiness & Progression – uplift learner experience and understanding of real world creative processes, jobs and outputs by increasing the number and quality of work experience places, internships, live projects, placements and apprenticeships – both within and out with educational provision –

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<sup>2</sup> Expected launch date Spring 2015

with the aim of bridging the gap. This goes hand in hand with the Committee's discussion about small businesses requiring graduates to have a more rounded set of skills to work in small companies. The sector is characterised by small businesses, with 97.8% of Scottish creative industries being registered as having 0-49 employees in 2013<sup>3</sup>;

Developing Leadership and Business Skills – strengthen leadership, management and business skills to create, protect, exploit and sustain platforms and routes to global digital markets;

New Approaches to Delivery - research, resource, promote and provide new skills opportunities via online learning, digital CIAG, a range of MA options including advanced apprenticeships.

One of the proposed actions under Theme 2 is to commission further research and mapping work to support the implementation of the priority actions and to strengthen the knowledge and existing evidence. The lack of robust data on student destinations especially long term trends is identified as a crucial gap. Student destinations data is primarily drawn from the Higher Education Statistic Agency's Destination of Leavers from Higher Education annual survey, which reports destinations of graduates six months after graduation. This annual survey investigates the career pattern of graduates.

The creative industries support more than 68,600 jobs and had a turnover of £5.48 billion in 2013. It is projected that there will be a demand for 4,300 jobs per annum (i.e. 3,000 replacement and 1,300 new jobs) for the next ten years. New technology is driving new job roles and there is demand for more multi-skilled individuals capable of working across the sector. There has been some criticism from stakeholders who have appeared before the Committee that, in general, the public sector does not understand the needs of the creative industries sector. We strongly agree it is crucial that the future needs of the sector are understood by the public sector, as well as the industry itself. A direct way in which SDS can address this is through the development, implementation and promotion of a strategically meaningful, measurable and industrially engaged and supported SIP for the sector.

The SIP development process involves close work with businesses and industry throughout Scotland, to ensure their views are recognised and that investment in the skills system better reflects their needs and priorities. As outlined above, the SIP for the Creative Industries is currently in draft form and due for publication in Spring 2015. The process has involved an extensive programme of research including:

- Analysis of the make up of the sector and its economic contribution.
- A demand side review of the skills issues and needs.
- Supply side headline mapping of existing training and provision.
- A summary of published research on the creative industries relevant to the SIP.

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<sup>3</sup> <http://www.scotland.gov.uk/Resource/0045/00458435.pdf>

The overall development process has been led by the need to engage across the sub-sectors of Scotland's creative industries; ensure the involvement of the wealth of public agency and intermediary interests; and speak and listen to education, and, above all, with employers directly.

The SIP has benefitted from extensive consultation with 70 employers and 15 employer led bodies such as Publishing Scotland, Scottish Games Network, Institute of Practitioners in Advertising, BAFTA Scotland, Federation of Scottish Theatre, Independent Producers Scotland, Screen Facilities Scotland, Association of Film & Television Practitioners Scotland, Scottish Creative Arts Network, Architecture + Design Scotland, and a range of public agencies such as Scottish Funding Council, Enterprise Agencies and Creative Scotland. This was to ensure that all sixteen sub-sectors of the creative industries in Scotland are represented in this process.

Furthermore, some 20 universities, colleges and training providers were consulted during the initial development process and at a second round of refinement sessions held in Glasgow, Edinburgh and Inverness. In addition to this, SDS has carried out ongoing engagement sessions with Creative Scotland, Scottish Enterprise, Highlands and Islands Enterprise, Scottish Funding Council and the relevant Sector Skills Councils – Creative and Cultural Skills and Creative Skillset to refine the SIP action plan and initiate the design and development of a new Creative Industries Skills Partnership.

#### 4. SDS support for businesses to develop relevant business and industry skills

##### *4.1. Our Skillsforce*

It has been highlighted that smaller businesses find it difficult to access the training they need. Through Our Skillsforce<sup>4</sup>, our employer web service, developed in consultation with key partners, we promote and signpost the range of public sector support available to the sector. We also work closely with key industry intermediaries to disseminate this information to their memberships.

##### *4.2. Flexible Training Opportunities (FTOs)*

FTOs are one way in which businesses can quickly access training in skills relevant to their business. The initiative, delivered by SDS on behalf of the Scottish Government, is especially fitting for the creative industries, given that small businesses make up the majority of the industry. FTOs are only available to Scottish businesses with 100 employees or less. They can apply for up to £5,000 towards employee training costs. SDS will refund up to 50% of each episode of employee training up to a maximum of £500 for each employee. Types of training funded include industry recognised qualifications, supervisory and management training and learning based on National Occupational Standards.

##### *4.3 TRC Media Leading Edge: Cross Creative and Special Edition Projects*

Funded by SDS, BBC and Channel 4, with Creative Scotland and Scottish Enterprise funding to be confirmed, Leading Edge will provide mechanisms for individuals to

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<sup>4</sup> [www.ourskillsforce.co.uk](http://www.ourskillsforce.co.uk)

understand and gain insight into how to develop and sustain their businesses, create new products, formats and platforms and enter new global markets. In 2014/15, SDS has provided £77,000 of funding to support the following components of Leading Edge:

**Cross Creative:** A digital media initiative for those working in games, mobile, software, animation, design and digital publishing. It focuses on creative innovation, commercialisation and new technology. It promotes an entrepreneurial approach and features a visit to Silicon Valley to see first-hand, the cutting-edge work of some of the world's top innovators including Pixar, Facebook, Google, YouTube and many others.

**Special Edition :** a development project to specifically address the under-representation of women in top roles in digital media<sup>5</sup>;

A series of workshops and events led by leading thinkers in the TV and digital arena to provide the wider industry with access to the latest trends, intelligence, innovation and buyers in the domestic and global marketplace.

Scotland has world-class creative and technical capability in its digital companies. However, the unrelenting pace of innovation, combined with the ability to monetise products and services, presents an ongoing challenge. Access to global markets, identification of new business models and significant upgrading of business skills are pressing issues that need to be addressed to capitalise on the substantial opportunities in the global marketplace.

#### *4.4. Phoenix Programme for Film and TV Producers*

The Phoenix Programme is a series of high-level training courses and workshops aimed at sector business growth by developing and enhancing the skills, knowledge, experience and networking opportunities for mid-level and senior Scottish film and media producers. SDS has provided £14,000 of funding towards this initiative, which will consist of up to six qualitative business seminars covering issues such as company planning and strategic growth, the art of co-production and film financing. The programme is aimed at the IPS membership but will be open to other established and emerging drama, animation and documentary producers based in Scotland. It is anticipated that up to 120 individuals will benefit from the programme.

### 5. SDS support for Individuals

In addition to the support we provide for individuals in our schools and centres, we also fund a number of initiatives to assist individuals to further their career prospects in the TV, film and gaming industries.

#### *5.1. Legacy 2014 Host Broadcaster Training Initiative (HBTI)*

The initiative saw 600 students from across Scotland benefit from world-class media broadcast training, with over 200 successfully securing roles at the Glasgow 2014 Commonwealth Games. £534,000 of SDS and Scottish Funding Council funding was provided, and the initiative was jointly managed and delivered by SVGTV, the host

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<sup>5</sup> <http://trcmedia.org/training-development/special-edition/>

broadcaster for Glasgow 2014, as well as Creative Loop, a consortium of FE and HE institutes engaged in accredited or validated skills provision leading to employment in the creative industries.

The initiative was rolled out because Scotland has very little capacity in multi camera production, with crews for sporting events being regularly flown into Scotland instead of using home-grown talent. The Commonwealth Games provided an impetus for the provision of training in this area, however other events have benefited from the initiative since then, such as the Ryder Cup, the Independence Referendum, live news broadcasts, live music events such as T in the Park and Belladrum Tartan Heart Festival. It is anticipated that there will be a continued demand for high quality skills and experience as further opportunities are provided by extended national sports coverage and inward international events such as World Gymnastics and the World Student Games.

The funding provided additional training to introduce skills specific to hardware, kit and technology needs, required to allow students to train to sufficient proficiency to participate in the practical work experience with SVGTV during games time in 2014. SVGTV also worked with a unique group of national companies, who were all committed to participating in the placement scheme: Area, Telegenic, EVS, SIS Live, Ariel Camera Systems, BBC, SKY Sports, Sunset+Vine and Mentorn.

Without the additional specific training, students would not have met the minimum criteria to make them suitable candidates for selection to participate in these events. A further benefit was that students were able to undertake a Professional Development Award at level 9 thus providing an ideal way of ensuring that the students were maintained up to and including their role in the Games whilst at the same time enhancing their qualifications and skills.

A key aspect of this initiative was to ensure that there was formal consideration of how best to update and refresh current provision, to meet and deliver the very specific needs of the OB production industry, and secondly how best to redress the experience gap that currently besets students and can be a barrier to their entry to the industry as freelance production and technical crew. SDS is scheduled to meet with Creative Loop at the end of January to discuss how they will forge these legacy arrangements to benefit Scottish students, retain their talent and boost the available and resident skilled workforce for Sports, Music, Events and Outside Broadcast Production.

## *5.2 Moray Firth Radio Trust – Monster FM*

Over three years, SDS provided some £66,000 as part of a funding partnership between Moray Firth Radio, MG Alba, Highlands and Islands Enterprise and ESF to provide an accredited, very high quality and intensive radio production training programme for over 30 people in Moray who were able to develop their business, creative, technical and productions skills and then put them to real work during the month of Monster FM at the station.

Approximately over a third of all trainees entered the radio broadcast sector, with a further third undertaking work or progressing to further and higher education in a related creative discipline. The remaining trainees achieved a mix of outcomes,



including early leavers taking up work or study in a non-creative capacity. Others did not complete their training due to family, health or other reasons.

Radio production is an important part of the overall broadcast mix in Scotland, and an important conduit for promoting every aspect of Scotland's Creative Industries to established and new audiences. It is often overlooked, but comes into its own with DAB and webcasting in rural settings, Gaelic language, people with sight impairments and niche interest programming.

### *5.3. Creative Digital Modern Apprenticeships*

In Scotland, as in the rest of the UK, the majority of current new entrants into the creative media industry are graduates and post-graduates. There are few opportunities for new entrants to move into craft and technical grades without a degree. Research has found that industry respects and values work-place learning, but until recently it has been resistant to formal apprenticeship programmes.

In order to address these issues a new Modern Apprenticeship Framework in Creative and Digital Media has been developed, with significant cross-sector industry input and support, with delivery led by BBC Scotland, followed by NUJ Scotland and Young Scot and a significant mix of press employers and public sector agency creative and marketing departments.

This new Framework is underpinned by a flexible core and option qualification model, which means it is being used in varied broadcast TV, radio journalism and digital media contexts. Whilst it is possible to implement this Framework in Gaming, particularly for junior and general supportive roles: there is currently a lack of specificity and fit on the functions of software, design and user interfaces that may inhibit its adoption by the gaming industry.

The Creative and Digital Media MA provides clear measures of attainment and progression into the workplace. This MA has been paralleled by the introduction of Creative & Cultural Skills MA Frameworks. Over the last four years there have been over 200 MA starts in these Frameworks across VQ routes such as event management, venue operations, technical theatre production and music management.

SDS has also funded development work focused on delivery of the Creative and Digital Media MA in Gaelic in a new partnership between Young Scot and the National Library of Scotland. We are also considering a proposal for a shared apprenticeship model in heritage textiles which, if approved, could provide a template for niche disciplines and micro-businesses that could be applied to gaming, software and film and TV companies. We also work in secondary schools with keystone projects such as the National Union of Journalists Scotland's Media Centres & Employability in Schools initiative to bring industry skills and mentors into learning, and have sought to expand the creative industries Certificate of Work Programme Pilot across Scotland.

## 6. Research

### *6.1. Graduate destinations*

Recent analysis of the 2012/13 FE and HE data on graduate destinations largely confirms what is already well known about the creative industries:

- There is a stronger tendency towards freelance working and part time employment amongst creative industries related subject graduates than those in other areas;
- Unemployment rates are slightly higher, perhaps reflecting the impacts of the recession on parts of the creative sector;
- Within Scotland, graduate employment for those with creative industries related degrees is highly concentrated in the cities; and
- A substantial proportion of creative industries related subject graduates find employment out with Scotland, reflecting the concentration of employment opportunities in places like London and Manchester.

SDS aims to undertake research into the experiences, challenges and opportunities graduate face through a longitudinal study of graduate employment in and beyond Scotland's creative industries.

### *6.2. Gender Equality in software publishing and computer gaming*

Although there are rewarding career opportunities available in the software publishing and gaming industry, women still only make up 14% of the UK games workforce<sup>6</sup>. Further to wider gender equality work in the sector, we have commissioned research to better understand gender equality in software publishing and computer gaming. The project is due to start at the beginning of 2015 and will take five months to complete. This will involve a comparison of types of work, wage rate, hours worked, identify barriers to entry and progression, as well as look at training opportunities for both men and woman employed in this sector.

## 7. Conclusion

We hope that this submission has provided an insight into the key role which SDS plays in the creative industries sector and how our work relates to other public bodies in this space. We will be happy to provide the Committee with the details of the SIP and research commissioned as they become available.

Skills Development Scotland

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<sup>6</sup> [http://creativeskillset.org/who\\_we\\_help/creative\\_businesses/skills\\_investment\\_fund/games\\_and\\_the\\_sif](http://creativeskillset.org/who_we_help/creative_businesses/skills_investment_fund/games_and_the_sif)