

DCMS CREATIVE ECONOMY PROGRAMME

Minutes of Ministerial Steering Board, 4 December 2008

Attendees

Barbara Follett
David Lammy
Stephen Carter
Jon Zeff
Frances Macleod
Eleanor van Heyningen
Andy Duncan
Feargal Sharkey
Chris Powell
Anthony Lilley
Juliet Williams
Tony Hall
Stephen Gill
Gail Rebuck
John Sorrell

Apologies

Feargal Sharkey
Lord Puttnam
Matthew Slotover

Introductions

- In addition to Barbara Follett, David Lammy and Stephen Carter have joined the Board as Ministerial members.
- Two new non-Ministerial members have joined the Board – Gail Rebuck (Chair and Chief Executive, Random House Group) and Stephen Gill (Managing Director, HP UK and Ireland).

Economic Downturn

Will Hutton of the Work Foundation made a presentation on the Economic downturn, its impact on the Creative Industries (CIs) and suggested Government action. In summary, Will Hutton's view is:

Forecast

- The current crisis is extremely severe and is likely to last until 2010.
- There will be a greater reduction in demand for Creative Industries than other areas of the economy. In particular, the negative impact of the crisis on the Financial Services sector will have a big impact, as they are a key user of CI services.
- Copyright and IP theft is likely to increase during the downturn.

Will Hutton suggested the following actions for Government

- CI specific solutions to economic problems affecting them – e.g. CI loans and guarantees.
- Protection of IP should be accelerated.
- World Creative Business Conference should be in London (N.B. DCMS highlighted to the group later in the meeting that it would be held at the Grove in Hertfordshire, just outside London).
- Opportunities to exploit the multiplier effect of the Olympics should be investigated.

- Robust policies to prevent ad leakage abroad are needed to prevent UK content developers losing revenue – e.g. imposing content obligations on web-sites.
- Top-slice licence fee to provide for integrated local newspapers/net/tv operations and Channel 4.
- Co-produced business models for the Creative Industries.
- Robust intellectual case for supporting the Creative Industries at all levels of Government.

Discussion

- Some CIs are not suffering from a lack of a demand, but are suffering from problems resulting from their struggling distributors.
- Radical re-thinking of business structures is being done across CIs.
- A clear vision of the CIs in 3-5 years time is needed to undo the current structural and cyclical problems.
- UK needs to retain its status as a leading CI player on the world stage. Need to take care of talent – training and retaining talent, both are important, particularly as there is the potential for other countries to poach UK talent.
- Drying up of capital is particularly hard on Small and Medium Enterprises (SMEs)– payments are slow and overdrafts are more difficult to secure.
- SME's in CIs, as in other sectors, may benefit from improved access to help and relief on PAYE and VAT costs for a short period.
- CI SMEs may also need encouragement to invest in training and apprenticeships during the downturn.
- CIs may benefit from Keynesian projects to provide stimulus and secure/create jobs.
- IP enforcement needs to be improved, Home Office and police, can take further steps to protect film, music etc.
- However, it is difficult to move quickly on IP due to difficulty of adapting to rapid technological changes and the need to seek international solutions.
- Argument for CIs should primarily be economic – cultural arguments should be secondary and intervention should be carefully targeted.
- Protection in time of technological change should also be carefully targeted.

C&binet

- DCMS Officials updated the group on the C&binet Salon on 20 November.
- 17 “Ambassadors” attended, including Andy Duncan from C4. Barbara Follett and Jon Zeff also attended from the Ministerial Steering Board.
- Key point raised by the Ambassadors was that the agenda for the event in 2009 should be short and focussed – 3 or 4 themes, maximum.
- Emphasis should be on connection between creativity and business, but consideration should also be given to how creativity can address wider issues.

CEP Implementation Update

- There was not sufficient time to update on implementation. This will be provided in writing.

AOB

- The next meeting will be in March, Ministerial diaries permitting.