

## Creative Industry Summits

### Introduction

In the spring of 2007 the Department for Culture, Media and Sport ran a series of Creative Industry summits to inform the development of the *Creative Britain* strategy. There were eleven of these in total and their reports are on the following pages. The summits were:

Broadcasting summit	7 March, 2007
Film summit	12 March, 2007
Music summit	12 March, 2007
Architecture summit	14 March, 2007
Publishing summit	20 March, 2007
Video games summit	21 March, 2007
Software summit	21 March, 2007
Advertising summit	28 March, 2007
Fashion summit	16 April, 2007
Performing arts summit	18 April, 2007
Arts, antiques and crafts	24 April, 2007

## **BROADCASTING SUMMIT**

**7 March 2007**

**Venue: Channel 4**

### **Attendees**

Shaun Woodward	Minister for Creative Industries and Tourism
Will Hutton	The Work Foundation
Andy Duncan	Channel 4
Jonathan Simon	Channel 4
Alan Yentob	BBC
Sophie Turner Laing	Sky Networks
Delyth Wynne Griffiths	S4C
Jane Lighting	Five
Anthony Lilley	Magic Lantern Productions
Richard Johnston	Endemol
Lucas Church	Endemol
Neil Hatton	UKPost
Lisa Kerr	Radiocentre
Jacqui Devereux	Community Media Association
Jim Beveridge	Microsoft
Emma Ascroft	Yahoo!
William Sargent	CFC Framstore / Small Business Council
David Harrison	Ofcom
Adam Minns	PACT
Sharon Elliot	BECTU

### **Key points**

- A feature of creative economy was that a small investment of public money could reap huge rewards (links to The Work Foundation's points on relocation and spillovers). The big themes should be networks and partnerships between the range of small companies in the sectors. The big challenge was the demand for quick returns on investment and the wish to keep the number in the supply chain to a minimum, which made networks very vulnerable.
- Some sectors – in more traditional media areas such as TV and film – suffered from a surfeit of graduates and were working with Skillset to quality assure courses. In new media however the position was very different, with young people learning about outdated issues or technology. This was forcing the companies to recruit outside of London and the UK.
- This view was echoed by one of the main broadcasters, which felt that many education courses were two years out of date, with insufficient industry input. This required additional input at postgraduate level in some ways to make up for this deficit (e.g. through the National Film and Television School).
- It was suggested that this flagged up the need for the industry to work more closely with the relevant Sector Skills Council to identify what was needed. Furthermore it was perhaps symptomatic of a sector which was not organised to speak to Government with a coherent voice on key issues.

- The key was where the sector would be five years from now – digitisation and convergence were crucial. While the sector might be in a powerful position now, the development of new technology could change that. The reasons for it to speak with some voice were therefore all the more compelling.
- There also needed to be a recognition that some of the key players worked across a variety of areas. Channel 4 (C4) works across TV, radio, film, games and online – with spillovers into advertising, for example.
- If the basic WH thesis was right, what was the appropriate role of Government? Education and skills had already been flagged up, but others suggested that there was a role in developing a stronger regional infrastructure. C4 had developed nine creative cities but there was still more to do.
- On the issue of education and skills, the relationship needed to be changed. Currently regulation required the sectors to invest in skills. There should of course be an expectation this should be done, but from within rather than through regulation.
- There was a need to 'join up' public and private investment. At the centre of this was investment in the 'cultural core'. There was a question therefore whether public service notions should permeate the entire approach to the creative economy.
- The model within the sector was changing – the BBC had had to reorganise itself to prepare for convergence, bringing in people with media skills.
- There needed to be a sea-change within the regulation of the sector. The idea behind having a joined-up regulator was clearly the right one, but there had been no parallel change in the legislation, which still worked in the classic silos of TV, radio etc., while other new media were left unregulated entirely. The 2003 Communications Act was now far outdated.
- New media should not be seen as 'the competition' but as a potential partner and way forward. Difficulty was that the EU did not understand the sector and so regulated 'through fear and ignorance'.

## FILM SUMMIT

12 March 2007

Venue: The Moving Picture Company

### Attendees

Shaun Woodward	Minister for Creative Industries and Tourism
Will Hutton	The Work Foundation
Ivan Dunleavy	Pinewood Studios
Andrew Smith	Pinewood Studios
Mark Batey	Film Distributors' Association Ltd
Amy Seely	British Screen Advisory Council
Grace Carley	AIM
Amanda Nevill	British Film Institute
Martin Spence	BECTU
Mark Benson	Moving Picture Company
Michael Elson	Moving Picture Company
Rebecca Hawkes	Schedule 2
Steve Norris	CFC Framestore
Andy Paterson	Archer Street Ltd
Andrew Eaton	Revolution Films (UKFC Board)
Duncan Kenworthy	DNA Films Ltd
Ian Wall	Film Education
Tessa Ross	Channel 4 Television
Alison Small	UKFC
Rebecca O'Brien	Sixteen Films
Heather Rabbatts CBE	Millwall Football Club
Stephen Moore	Aardman Animations
John Woodward	UKFC
Jane Wright	BBC
Isabel Begg	BBC
Dinah Caine	Skillset
Janine Marmot	Skillset
Sam Nichols	Momentum Pictures
Jonathan Olsberg	Olsberg SPI
Paul Trijbits	Ruby Films

### Key points

- The key issue for the film sector was that film-makers do not retain copyright in what they produce, which is very different from the situation in TV. For example, Channel 4 took a licence on a creative product. The Telecommunications Act might be an interesting model for other sectors in this regard.
- Against that, there was a danger of making too much of this issue and over-regulating to little effect. In the previous 5 years, only 15 percent of all UK films were financed by broadcasters. There were two ways in for broadcasters: through acquisition of ready made films, bought at the market rate, or as a co-funder, such as Film Four or BBC Films. This was a completely different market and digitisation rights are more important than copyright.

- Business building capacity was key, especially access to finance. The Green Paper might develop models for this. The sectors needed to break out of silos, enable better links and create better networks.
- There was lack of strategic leadership for the creative industries. It is unclear whether DTI, DCMS or HMT were in the lead and who the Green Paper was therefore targeted on.
- Attendees were generally content with the 8 point prism. They felt it accurately reflected the broadcasting and film sectors and that film will have the biggest impact on the 'spillover' from the core field to the concentric circles.
- Diversity was a key issue; a young BME person currently has difficulty sustaining a career in the film industry and is probably better advised to look for opportunities elsewhere. Ironically this could change as the film industries in China and India grow and the traditional and stereotypical 'clubs' begin to come under pressure.
- Skillset was addressing this through their Graduate Fellowship Programme for BME and offering high bursaries to BME individuals, and through its seven skills academies. However more action was required and DfES needed to be brought into the equation.
- Credit should be given in the Green Paper to BAFTA and the British Council for their work in cultural diplomacy.
- There was support for the analysis, in particular the phrase 'creative industry'. The next step now was for the various sectors to come together under this umbrella and seek more 'clout'. There was concern, however that there would be a downside for film with other sectors seeking the same benefits. Would there be a downside for the film sector from the Green Paper?
- On the 'long tail', the analysis was on shakier ground. In the future every individual would be a creative industry. With the growth of user generated content, there might be a detrimental effect on the 'industry' or alternatively the latter might simply create an increased appetite for demand.
- On IP crime, attendees were aware that effective solutions need to be found. Problems lie with film release and distribution patterns, which are dominated by the major studios. Any analysis should incorporate videos / DVDs, studios and exhibitors.

## **MUSIC SUMMIT**

**12 March 2007**

**Venue: British Phonographic Industry**

### **Attendees**

Shaun Woodward	Minister for Creative Industries and Tourism
David Lammy	Minister for Culture
Malcolm Wicks	Minister of Science and Innovation
Tony Wadsworth	EMI Records
Kanya King	MOBO Awards
John Smith	Musicians Union
David Ferguson	British Academy of Composers and Songwriters
Chris Green	British Academy of Composers and Songwriters
Dominic McGonigal	PPL
Fran Nevrkla	PPL
Robin Millar	Record Producer
Richard Mollet	British Academy of Composures and Songwriters
Geoff Taylor	British Academy of Composures and Songwriters
Stephen Navin	Music Publishers Association
Emma Pike	British Music Rights
Cathy Koester	British Music Rights
Richard Morris	ABRS
Andrew Yeates	Creative Exports Group
Charlie Does	Singer songwriter
Will Hutton	Working Group Foundation
Anya O'Keefe	Working Group Foundation
Emily Thomas	Department for Trade and Industry
Adrian Brazier	Department for Trade and Industry
Annie Norgrove	Department for Trade and Industry
Brian Leonard	Department for Culture, Media and Sport
Phil Clapp	Department for Culture, Media and Sport
Paul Aley	Department for Culture, Media and Sport
Rubbina Karruna	Department for Culture, Media and Sport
Andy Thomas	Department for Culture, Media and Sport

### **Introductions**

SW gave an overview of the CEP and explained that the purpose of this and the other industry Summits was to ensure that the proposed Green Paper would accurately reflect the concerns of the creative sector and would therefore be of value. The CEP aimed to create an economic model of the creative economy, to identify what was driving it, and to develop evidence for the case for intervention.

In common with other CIs, the music industry had many potential opportunities, but also faced many challenges, and one objective of the Green Paper was to identify a framework within which Government and industry could work better together in the global market.

WH then gave a presentation of the likely contents of Part One of the Green Paper and invited a discussion in order to inform thinking for Part Two.

The industry welcomed this opportunity for this broad and open consultation.

### Key points in discussion IP Framework

- Consumers need to be educated to respect creativity and to view copyright infringement as theft. IP should therefore be introduced into the curriculum and taught from an early age.
- The Enterprise Investment Quickstart Music Programme, which brings enterprise education and IP awareness together should be rolled out nationwide, with the Government's assistance.
- The digital age is changing business models, and changes were needed to the way the Copyright Tribunal was both constituted and operated to reflect this.
- Andrew Gowers' recommendation that online penalty for copyright infringement should be equal to that for physical infringement was welcome. But would not want to see prison sentences imposed on perpetrators. Concerned that the cost of legal action would deter some companies from pursuing this remedy anyway.
- Gowers' recommendations on enforcement were welcomed, but industry did not feel that penalties were enough. More needed to be done to stop illegal activity in the first place.
- There were no strong proposals in Gowers on how to tackle Internet piracy. Greater liaison with Internet Service Providers and mobile phone companies, who could be described as 'gatekeepers', would be a positive step forward.
- High level of infringement indicated that the demand for music is at an all time high, but this demand needed to be 'monetised'.
- Freelancers (eg. composers) needed better protection through fairer contracts, especially as many of them will be relying more on long tail income in the digital future.
- There needed to be better access to markets by creating a level economic playing field for freelancers.
- In summary, the industry thought there were three key things needed to unlock creative potential when considering IP: term extension for sound recordings; enforcement, including legislation for ISPs to control internet piracy; and IP education. Industry (BPI) were asked to provide a model for ISP legislation.

The income earned from extended copyright term would be ploughed back in to A&R and creative growth.

### Core Arts Field

- The concentric circles that Will Hutton outlined resonated well with the music sector:

<b>Core</b>	Songwriters & Performing Artists
<b>1<sup>st</sup> Layer</b>	Investment in Talent – AR (discovering talent at the early level)
<b>2<sup>nd</sup> Layer</b>	Marketing & Distribution
<b>3<sup>rd</sup> Layer</b>	Infrastructure which is increasingly moving into a Digital Age. Any value which leaks out of this stage is a drain on the Industry

- There was concern, however, that this part of the thesis appears to reflect the protection of the consumer instead of the creators. Copyright protection was an essential foundation of creativity and the regime it was built on was a fragile one.

### International

- There needed to be a very strong international perspective to the Green Paper, leading to better support for British acts entering and being successful in overseas markets.
- Other countries, such as France and Norway, provided much more funding and better co-ordinated support for music, especially in the live sector. Grass roots activity in particular needed better support. Recognised the work of ACE, UKTI and British Council, but sometimes the support was too unco-ordinated to achieve what was needed.
- However recognised that record companies also need to encourage acts to take more time in tackling overseas markets - for example, by touring for longer.
- Evidence showed that, as in other territories, the overall export market had to some extent slowed down because greater focus was being placed on sustaining local markets.

### Live Music

- Welcomed the work of Live Music Forum (LMF) and said there needed to be more initiatives and better infrastructure to support live music. There was a 'strong connection' between live performance and record sales.
- The industry needed better support to showcase artists abroad, both economically and culturally.

- The meeting welcomed the LMF's work in developing rehearsal spaces, and felt there needed to be many more facilities for rehearsing, performing and recording. There were lots of vacant buildings going to waste. More should be made of local authority-owned spaces as well as accommodation in education establishments outside school hours. (One attendee said that 100,000 square metres of space in New Covent Garden has remained unused for 10 years; and questioned whether could this be turned into a 'creative space'.)

### Finance

- The Enterprise Investment Scheme should be amended so that music publishers could benefit from it.
- Trade associations (TAs) struggle to meet the cost of training their members. It would help if the law relating to charities could be amended to enable TAs to benefit from tax relief for this training function.

### Diversity

- Figures for BMEs in the music industry were poor and there needed to be some hard work done to improve diversity.
- Improved diversity could make the sector more successful, for example by making UK urban artists more competitive in the US where the urban music genre is more prominent than in the UK.

### Music Council

- There was disagreement about what was needed to best support the different interests around the table. While some felt that a Music Council would provide a unified voice for this sector, others thought that it was a stronger Music Business Forum that was needed.

### Arts Council

- It was widely felt there is room for intervention from the Government to achieve more value from the Arts Council, especially with regard to contemporary music.
- There were varying perceptions about the extent to which ACE funding was assisting commercial ventures, but Jamie Cullum was cited as an example where initial ACE funding had helped build a great economic success.
- The subsidised sector should not work in isolation from the commercial sector, there was a symbiotic relationship, and people welcomed the increasing partnerships between industry and ACE.
- There was a fear of portraying success in the subsidised sector, in case funding was reduced or lost.

**Other**

- There should be a statutory requirement at local authority or regional development agency level to provide more funding for the arts and the creative industries.

## **ARCHITECTURE SUMMIT**

**14 March 2007**

**Venue: Royal Institute of British Architects**

### **Attendees**

Shaun Woodward	Minister for Creative Industries and Tourism
Will Hutton	The Work Foundation
Adrian Harvey	CABE
Jonathan Davis	CABE
Stephen Harding	RIBA
Ewan Willars	RIBA
Chris Nasah	SOBA
Katherine Heron	University of Westminster
Daisy Froud	AOC Architecture
Buddy Haward	Burd Haward Architects
Ben Addy	Moxon Architects
James Soane	Project Orange
Andy MacFee	Surface Architects
Simon Foxell	The Architects Practice
Michael Craven	Architecture Centre Network
Kanyisa Sobuwa	

### **Key points**

#### **Competitiveness**

- It was noted that the architecture industry is dominated by SMEs and micro businesses, with a small number of powerful large practices. A distorted market place restricts opportunities for the smaller practices (and exacerbates problems of diversity as small firms have less capacity to address workforce diversity properly).

#### **Architecture's special contribution**

- Attendees explained that architecture is more about a cultural product than consumption of a luxury good.
- Architecture deals with capital 'products' that have impacts on culture and how places function over a long timescale. This is of significant importance for the sustainable development agenda.
- This was not necessarily the public perception of architects and architecture. There was interest in buildings and places (e.g. "the Kevin McCloud effect") but poor appreciation of the value architects add.

#### **Diversity**

- There was a general feeling that, while the industry is becoming more diverse, significant steps need to be taken to achieve a better balance. BME and women

are significantly under-represented in the sector (particularly noticeable given its London-centricity).

- It was acknowledged that headline figures mask significant variations. Evaluating diversity is complicated by distinction between registered “architects” and those working in architecture and built environment but not as architects. The sector attracts people from overseas and regions to London, emphasising the lack of diversity.
- There is a relatively diverse (though not fully representative) mix of students studying architecture and related disciplines. But this mix becomes less diverse as people make the transition from student to employee. It is hard to track the reasons for this loss, though CABE and RIBA/UWE research gives useful indicative evidence.
- It was suggested that the image of the profession needs to be updated from a predominantly white, middle class, and male profession. There is a lack of available role models.

### Potential Solutions

- Could the education structure be reviewed? It typically takes 7 continuous years to fully qualify as an architect. It is expensive and inflexible, and a deterrent to diversity. There should be more (and more accessible) refresher, retraining, returning courses.
- Would grants and incentives from the Government (e.g for mentoring schemes) be an appropriate measure?
- This sector is dominated by a large number of relatively new SMEs which would be able to focus more on diversity if they had greater economic stability and better access to markets through:
  - Government recognising the important role of creative architecture in place-making policy.
  - Improved business sense and marketing expertise.
  - Balancing the demand issue for SMEs – how do they get through the quieter economic periods?
  - Challenging the nature and culture of Public Service Procurement by allowing more SMEs to secure contracts which are typically awarded to bigger businesses. Particular difficulty with SMEs accessing procurement exercises for the Olympics was discussed.
  - Could SMEs work together to undertake bigger commissions or does the loss of commercial identity prohibit this?

### Other

- Unsure if the ‘Apex Consumer’ and Hierarchy of Needs applied to this sector. Architecture is more about a cultural product than consumption of a luxury good.

- Consumers are often content for architectural work to be undertaken by a contractor rather than an architect due to either not appreciating the longer term value of design quality, or through direct financial constraints.
- There was not a clear perception among 'consumers' as to what architectural profession 'produces' (e.g. blame around high rise dwellings directed at architects rather than housing policies which dictated demand for high-rise blocks).
- There was a need to address green and sustainability issues. Challenges of climate change (including more regulation) will require and spur creative responses to architectural design problems.

**PUBLISHING SUMMIT**  
**20 March 2007**  
**Telegraph Media Group**

**Attendees**

Shaun Woodward	Minister for Creative Industries and Tourism
Margaret Hodge	Minister of State for Industry and the Regions
Will Hutton	The Work Foundation
Guy Black	Telegraph Media Group
Helen Alexander CBE	The Economist
Stephen Page	Faber and Faber
Phil Hemmings	Research Machines
Dr Alan Kemp	Haymarket Publishing
Sonny Leong	Cavendish Publishing
Ronnie Williams	Publishers Association
Dominic Savage	BESA
Ian Russell	ALPSP
Pippa Pollard	IPC Media
Kerry Nielson	PPA
Sue Sparks	Rightscom
Henry Manisty	Reuters
Mark Millar	Future Publishing
Mark Spilsbury	Spilsbury Research, Member Publishing Skills Group
Santha Rasaiah	Newspaper Society
Angela Mills Wade	British Internet Publishers Alliance and DCF
Alex White	UK Association of Online Publishers (AOP)
Andrew Yeates	PPA / AOP

**Key Points**

- One attendee thought there was general agreement that the publishing sector lacks evidence relating to diversity. On clustering, Porter has described how Scottish distilleries faced such strong competition from each other they were well prepared for overseas competitors. It was suggested this might also be true for publishers.
- It was added that lack of data is a serious problem when attempting to demonstrate current competitiveness. The long tail of small publishers is becoming important, while user-generated content is also growing.
- It was felt that the long tail was not relevant for all publishers. For some a more important issue was gaining access to the high street. Issues around the skills base are connected with the move from print to digital – requiring expertise in both relevant skills and standards to make the transition and having the ability to run what were essentially two businesses at the same time. The recommendations of the Gowers Review did not appear to be problematic, although much would depend on the detailed way in which they were implemented. International publishing is critical to book publishing.

- Another attendee had wanted Gowers to cover the problems caused by the restricted access to Government data. The US economy had benefited from sharing such data and there was no reason why UK couldn't as well.
- It was noted that there was a great danger of publishing suffering from the collateral damage caused unintentionally by legislation, eg the TV Without Frontiers EU Directive. There can be conflicting opinions from different sectors, so she asked for a Government champion when legislation goes through the better regulations tests.
- Shaun Woodward felt the industry was not making its presence felt sufficiently, especially given its size, while overlapping primary and secondary markets made it difficult to define each creative sector. He suggested a single voice for publishing would help its cause.
- Margaret Hodge suggested the Creative Economy Green Paper would be more powerful if we could identify what draws the creative economy together. She recognised that companies are trying hard to keep up with the sector's high rate of growth, but they should concentrate on what pulls them together.
- One attendee replied that there are some alliances that discuss common issues – AOP does this – but it is a fast-changing sector; 50% of publishers are busy with MP3, 40% with audio, 50% with mobile, so it needs light touch legislation.
- Shaun Woodward suggested that the argument in favour of separate voices might be strong, but the argument for acting collectively was stronger. For example, the financial service sector and agriculture were both fragmented, but still managed to make their points persuasively to Government.
- An attendee gave an example of the blurred edges between sectors, citing the large spillovers from advertising to publishing, where the Government still retains a large interest in areas such as NHS jobs advertising. There was also a need for the Government to move reference material to the business information area rather than traditional publishers.
- It was added that we should not disregard business information which is growing as fast as the creative sector.
- Academic publishers had done well with the rise in publications following the increase in academic research, but growth in university publishers was flat.
- It was suggested that the issues are micro and have a different effect for each company. For example, Haymarket, normally classified as a large company, comprises a number of SMEs operating fairly autonomously.
- Shaun Woodward recognised that issues would be different at the micro level, so he invited companies to send their specific points in to him after the meeting.
- It was noted that the study had so far concentrated on national picture, but thought now needed to be given to attracting overseas firms as well. Inward investment was important for publishing.

- One attendee urged the Government to use the private sector more for publishing. There still seemed to be a fear of going outside the public sector when tendering for work.
- Shaun Woodward ended the meeting by emphasising the importance of innovation. He said he wanted to produce a Green Paper that genuinely helped industry to do better – light touch factors would be better for industry and the Government.

## VIDEO GAMES SUMMIT

21 March 2007

Venue: DTI

### Attendees

Shaun Woodward	Minister for Creative Industries and Tourism
Malcolm Wicks	Minister of State for Science and Innovation
Will Hutton	Chief Executive, The Work Foundation
Andy Payne	Managing Director, Just Flight
Tony Williams	Codemasters
Ian Livingstone OBE	Product Acquisition Director, Sci (Eidos)
Ray Maguire	Senior VP & MD, SCE UK
Paul Jackson	Chairman, ELSPA
Keith Ramsdale	Managing Director, EA
Jonathan Ward	EA
Ian Baverstock	CEO, Kuju Entertainment and Chairman of TIGA
Jason Kingsley	CEO/Creative Director, Rebellion
Mark Heath	Business Development Management, NC Soft
Fred Hasson	Founding CEO, TIGA
Jim Bambra	Founder, Pivotal Games
Nalin Sharma	Designer and CEO, Puzzle Kings
David Yarnton	Managing Director, Nintendo
Jeremy Cooke	CEO, Gameware Development
Andrew Brown	General Manager, Activision
Miles Jacobson	Studio Director, Sports Interactive
Mary Matthews	Senior Manager, Blitz Games
Dave Hawkins	Exient Ltd
Maria Balermpa	London Co-ordinator, Skillset

### Officials

Helen Williams	DCMS
Rebecca Greenfield	DCMS
Michael Todd	DCMS
Adrian Brazier	DTI
Leigh Jackson	
Tim Gettins	
Lynne Kilpatrick	
Áine O'Keefe	

The discussion focused on the following key themes:

- Education and Skills
- Intellectual Property
- Government support for the Industry

The following points were made:

### **Intellectual Property**

- Attendees said that they wanted a society that respects IP in the same way as tangible goods.

- Independent Developers, who are often the creators of original IP, are often subject to takeovers as a consequence of the IP they hold. The UK will not be able to continue producing innovative IP if our small innovative companies are not able to flourish.
- One delegate suggested that the UK Games Industry was becoming 'work for hire' for multinational companies based in other countries. Advances in technology means that there is no longer a 'back bedroom' culture of Games Development and it is harder to keep innovation in the industry alive. The industry is now 'riding on the back' of IP which already exists. Malcolm Wicks added that the Government is taking the value of IP very seriously. He explained that he had recently overseen the Patent Office's evolution to become the Intellectual Property Office.
- One delegate asked whether there was any way in which the Government could put in place some support for independent developers so that they can hold on to IP and maybe enter into co-production agreements with publishers rather than having to relinquish all IP on a game. He went on to state that the financial sector does understand the Games Industry, but Games are generally considered too high risk.

#### **Education and Skills**

- Tiga stated that they have been working with a Regional Development Agency (RDA) on proposals for a Centre of Excellence, which would be like a finishing school for Graduates. It would have a 'best practice' focus and have a research element which could be used across the whole industry.
- Government could play a role in developing skills in the Games industry by including Game development skills in the National Curriculum. Skills for other Creative Industries were taught as part of the National Curriculum (Music/English Literature/Performing Arts/Media Studies etc) and the industry can no longer rely on 'bedroom programmers' because young people were not engaging with the production of Games at an early age.
- There was also concern that the number of young people taking the key Games development subjects (Maths, Physics and Technology) at GCSE and A-level standard was falling. Attendees said that they would like to engage better with schools but are not sure how.
- Malcolm Wicks asked Tiga whether they had the backing of industry for the Centre of Excellence idea. Tiga responded that they did have the backing of a number of companies but added that it was not a done deal yet.
- ELSPA are also keen on the Centre of Excellence idea, but they were still thinking about what it should look like in reality. Attendees agreed to work together on progressing the Centre of Excellence idea.
- Shaun Woodward asked why such a small number of Games courses had gained Skillset accreditation. One delegate responded that some other courses were good enough but had not been running for long enough to be assessed. More courses were likely to gain accreditation this year.

- On the sales/marketing side of the Games industry, over the next 5 years, the route to market in the Games industry is going to change massively and there is a need for people who are skilled in working on and understanding the internet.

### **Diversity**

- Shaun Woodward asked why the majority of people in the Games Industry were male and why only 4% of people working on Games were from ethnic minorities. He added that this seemed odd for a Global industry.
- It was suggested that traditionally Games were played by males but that this was changing. Over time the industry would attract more females.
- Shaun Woodward asked whether the Games Industry saw this lack of diversity as an issue and whether people wanted the Government to help the industry change this. There was a general consensus that this was an issue which needed to be addressed. SW said that he thought the Green Paper should 'shine a light' on this issue.
- Shaun Woodward suggested the idea of a Games Academy for pre University level people. He added that it would need a few Games companies to put some funding forward and he asked whether the Industry thought that this was a good idea.
- There was a general consensus that a Games Academy was a good idea, although the point was made that it should not be at the expense of a Centre of Excellence. Shaun Woodward agreed that the Industry should look at both ideas.

### **Incentives**

- It was suggested that some kind of Film tax credit system would help change this view Games, but Shaun Woodward responded that Film tax credits were not a free-for-all for the Film Industry. It was noted that there are big incentives in Canada and many companies are choosing to locate studios over there instead of in the UK.
- Malcolm Wicks said that there are Research and Development (R & D) tax credits available to the Games Industry and he was not convinced that the industry was taking advantage of them.
- In response, one delegate stated that his company was trying to apply for R & D tax credits, but was finding the process exhaustive. He added that it was difficult to understand what qualifies for R & D tax credits and what doesn't.
- Malcolm Wicks asked what the Industry thought about the different incentives offered by RDAs. The general consensus was that the variety was confusing and frustrating. Attendees asked for a more co-ordinated approach.
- One delegate pointed out that the Canadian Government was offering tax breaks for individuals from the UK and elsewhere if they go and work in Canada. He warned that we could invest in skills through a Centre of Excellence and Games Academy, only to find that our skilled workers choose to go and work in Canada.

### **General**

- The Green Paper needs to recognise the differences between individual Creative Industries and not try to apply measures to the Games Industry that do not fit.
- Shaun Woodward asked whether the Games Industry had ever thought of forming a Games Council. He added that whilst the two trade associations were doing a good job, they were not joined up on certain issues, including the Centre of Excellence. Attendees confirmed that the industry had discussed the idea of a Games Council, but it was concluded that any such Council would need Government funding and involvement in order to be effective.

## SOFTWARE SUMMIT

21 March 2007

Intellect

### Attendees

Shaun Woodward	Minister for Creative Industries and Tourism
Margaret Hodge	Minister of State for Industry and the Regions
Will Hutton	The Work Foundation
John Lovelock	Federation Against Software Theft
Jeremy Beale	CBI
Karen Price	e-Skills
John Higgins	Intellect UK
Nigel Hartnell	FfastFill plc
Dorothy Smith	BT Group plc
Adam Spearing	Sun Microsystems
Chris Francis	IBM UK Ltd
Stephen Darvill	Logica CMG
David Burden	Daden Limited
Richard Allan	Cisco Systems
Tom Wills-Sandford	Intellect
Antony Walker	Broadband Stakeholder Group
Dennis Curry	Innovation, EDS
Nick Wainwright	HP
Michael Bowkis	Microsoft

### Key points

- It was noted that Ovum @ Holway provides good evidence and research on Software and IT services, and that Intellect might be able to provide further information as well.
- Shaun Woodward acknowledged that there is an issue with statistics generally in the Creative Industries.
- Another contributor to this problem may be that definitions of key terms such as IT are not agreed and standardised.
- It was also noted that official figures for this industry are several years old, while Holway is attempting to produce current figures.
- Margaret Hodge explained that the Information Age Partnership (IAP) is doing work on ICT as a driver of productivity and growth. She then asked what attendees think are the key barriers and what they would like to see in the Green Paper.
- One attendee commented that he was not sure about Will Hutton's concentric circle diagram, and thought relationships between the various players might be better represented by a matrix.

- Another mentioned Gowers, specifically clause 107a. He claimed that Government either needs to ring fence money which is being given to Local Authorities for trading standards or to manage the money centrally.
- It was highlighted that there is currently a poor state of pull through in the education system. There is focus on ICT skills, but we need to do more in secondary education to get the physicists, etc. that the industry needs. For example, there is no GCSE in computing, there is only an ICT skills usage GCSE. This can be quite dry and boring and leads to students dropping the subject at key stage 2.
- A report on this subject (lead by Microsoft) will be published in June, and an abstract will be copied to ministers.
- It was suggested that the key to success in the software industry is to be fast to market. What the industry currently lacks is a connection to allow quick communication. What is needed is a You Tube for the industry.
- Two other key challenges were highlighted: open sourcing and off shoring. The UK is creative but we fail to capitalise on it because we do not understand the supply chain. In order to harness our creativity we need the right education, skills and business support.
- There is a mismatch between supply and demand in education and skills. E-Skills can supply data on this issue. Microsoft can provide figures for the shortfall in numbers of graduates needed for the future growth and economic benefit of the creative industries (Software & Computer Services).
- Re-skilling and up-skilling those already in work are also issues for the software industry. There is a fear that Leitch will focus solely on new entrants. Computer science has 12,000 graduates a year, but only about half go into the sector because the courses are not preparing them properly.
- The spectrum decision will be critical to the software sector. The sector supports allocating spectrum to broadband, rather than HDTV, because it is multipurpose rather than single purpose.
- Attendees questioned what the impact on the UK would be if we didn't have a world class infrastructure. There is currently no incentive for individual operators to invest in next generation broadband. Can Government policy help? He asked that this be reflected in the Green Paper.
- There is commercial investment in next generation broadband studies and partnership working with the Broadband Stakeholders Group. In terms of what it wants in the Green Paper, the important role of the ICT sector within the creative industries was stressed, as was the emergence of new commercial models.
- The image of the software and computer services sector needs a boost.

- The centre of the concentric circles model in Will Hutton's model is where the software industry is creative by accessing and manipulating content. This is where a potential image boost for the software sector might lie. This area of organised anarchy is vital.
- An SME perspective on the issues of skills and networks was offered by one attendee, who noted that because the industry is evolving so quickly, GCSEs and University degrees can't necessarily provide students with the right skills. For example, the current language didn't exist three years ago. Currently, SMEs use industry networks to find people with the right mix of skills. These are very important for SMEs, who don't have the time or money to train people and often hire freelancers. Employers want people with basic coding skills, which can't always be found in the UK.
- It was also noted that Digital Rights Management is currently not convergence friendly.
- DTI officials are working on the issue of the path to market for SMEs.

**ADVERTISING SUMMIT**  
**28 March 2007**  
**Advertising Association**

**Attendees**

Shaun Woodward	Minister for Creative Industries and Tourism
Will Hutton	The Work Foundation
Malcolm Earnshaw	ISBA
David Kershaw	M&C Saatchi
Mark Lund	MLKW
Chris Powell	BMP DDB
Hamish Pringle	IPA
Alex Hunter	IPA
Adah Parris	IPA
Robert Ray	Newspaper Society
Baroness Peta Buscombe	AA
Charles Ping	Guardian Media Group
Matt Close	Unilever
Giles Hedger	Miles Calcraft Briginshaw Duffy
Emma Ascroft	Yahoo
Andy Barnes	Channel 4
Magnus Brooke	ITV
Martin Le Jeune	BSkyB
Kerry Neilson	PPA
Emily Vollans	Creative and Cultural Skills

**Key points**

**Education and Skills**

- It was noted that the majority of University Media courses do not teach the relevant skills. It was agreed that the IPA and the sector skills council, Creative and Cultural Skills, are the best mediums through which to tackle the skills issue.
- Advertising had up to now been successful because of its ability to adapt and change. However, digitisation presented the biggest challenge so far and the industry had to be ready to adapt.
- The IPA offered to come and talk to Will Hutton in more detail about a Diagonal Thinking tool which identifies key competencies needed to work in the advertising industry. It is intended to recognise aptitudes rather than accomplishment and so encourages a more diverse approach to recruitment for the industry. There is a need for funding if the project is to be rolled out to other creative industries and formal education. On the same issue, the IPA said they have commissioned a report called the 'Intangible Revolution' which discusses the difficulty in recognising brand value. They would be happy to let Government see.

- The advertising industry, like many creative industries could be more proactive in taking the lead when it wanted to promote its work and improve itself.
- Shaun Woodward asked about the possibility of industry developing one or more specialist academies to encourage young people to study advertising.

### **Diversity**

- Ministers suggested that the advertising industry needed to do more to encourage greater diversity, (4% ethnic diversity in the UK advertising industry).
- It was stated that there are very few role models in advertising for young people from non-white backgrounds and the industry suffers from having a 'village mentality' which is not conducive to attracting more diverse groups.
- Ministers asked whether New York (as London's nearest rival in the advertising industry) had similar problems with Diversity. The general consensus was that New York did have similar problems but was being pressed hard to address the issue.

### **Infrastructure (Importance of London)**

- The 'Design and Art Directors' awards were gaining an international reputation similar to that of the Oscars. The London Design Festival should be made to coincide with the awards and then with a little support from government (in terms of Ministerial endorsement for example) the event could become the best of its kind in the world.

### **Brands as intangible assets**

- There was concern also that the Green Paper did not fully reflect the value and importance of advertising, both to the creative industries and the wider economy. One delegate suggested that 70% of the value of UK businesses is related to the value of the brand. The importance of brands in the economy might be brought out in the Green Paper.

### **Government interference in the Industry**

- Too much Government interference in industry regulation would have a knock-on effect to other industries. The Government should acknowledge the social and cultural impact of constraints on advertising (OFCOM's recent banning of 'junk food' advertising during programming scheduled for Children)
- The relatively flexible employment laws in the UK are an advantage to the advertising industry, where is often a need for rapid change. In contrast, agencies in France (amongst others) have suffered because of the nature of employment law over there.
- One delegate asked whether Government would back self regulation in the industry. The minister suggested that the industry might co-ordinate themselves

better in Europe as in many instances the pressure to regulate comes from Europe (example being the TVWF directive).

### **Structure of the advertising industry**

- Small firms could access the advertising market through online search engine marketing. This section of the ad industry is growing.
- Advertising is vital to the business models of many publications. It's important to recognise the interdependencies between the advertising industry and the rest of the economy.
- Digitisation is changing the business models for the industry.
- The concept of Apex Consumption was very important to advertising but the word 'choice' was not used in the presentation. Choice was central to the advertising industry and this should be reflected in the Green Paper.

## FASHION SUMMIT

16 April 2007

Venue: London College of Fashion

### Attendees

Tessa Jowell	Secretary of State for Culture, Media and Sport
Shaun Woodward	Minister for Creative Industries and Tourism
Will Hutton	The Work Foundation
Alexandra Shulman	British Vogue
Frances Corner	London College of Fashion
Ursula Hudson	London College of Fashion
Hilary Riva	British Fashion Council
Linda Florance	Skillfast-UK
Jane Rapley	Central Saint Martins
Penny Martin	Show Studio
Jane Boardman	Talk PR
Ann-Sofie Back	Ann-Sofie Back
Hamish Morrow	Hamish Morrow
Lucille Lewin	Whistles
Sim Scavazza	Formerly of Miss Selfridge
Wendy Malem	Centre for Fashion Enterprise
Tom Campbell	LDA
Manda Rigby	LDA
Annette Browne	Marks and Spencer
Tony Ginty	Marks and Spencer
Jacob Kimmie	Jacob Kimmie
Helen David	English Eccentrics
Jennifer Williams-Baffoe	Cutting It
Sue Jenkyn Jones	Designer

### Key points

- Attendees highlighted that the creative industries do not operate in isolation from each other – there are many overlaps.
- It would be wrong to try and separate the cultural from the creative industries. Often a creative industry needs to reflect both culture and creativity if it is to succeed.
- It was noted that the creative industries tend to flourish when the economy is strong, when there is confidence to take risks. This was certainly true of fashion.
- Some said that the UK is seen as nurturing and incubating creative ideas. However there is little support for new businesses starting up and the relationship between production and distribution in the UK means that it can be extremely difficult getting a product to market. For these reasons young designers find it hard to sustain a business and often leave the UK to set up overseas.

- Others explained that, in the UK, fashion is seen as 'frivolous', particularly by the press. The press in other countries, such as France and Italy, tends to treat the industry with greater respect.
- It was generally agreed that there needs to be more money invested in London Fashion Week. It currently has only 3 people working on organising it and its funding relies on donations from designers. This is in contrast to the way that fashion weeks are organised in New York, Milan and Paris, where a lot more resources including finance and business are involved.
- Those in the fashion industry would benefit from having a support network or/and an information sharing network, for example a database that designers might be able to access.

### Conclusion

- Shaun Woodward summed up that the immediate challenges facing the fashion Industry were as follows:
- Ensuring permanency for London Fashion Week;
- The need for a coherent voice on behalf of the industry.

## **PERFORMING ARTS SUMMIT**

**18 April 2007**

**Venue: House of Commons**

### **Attendees**

Shaun Woodward	Minister for Creative Industries and Tourism
David Lammy	Minister for Culture
Will Hutton	The Work Foundation
Charlotte Jones	ITC
Richard Mantle	Opera North
Graham Vick	Birmingham Opera Company
James Conway	English Touring Opera
Paddy Chatterton	London International Festival of Theatre
Christopher Barron	Birmingham Royal Ballet
Farooq Chaudry	Akram Khan Dance Company
Caroline Miller	Dance UK
Arlene Phillips	Choreographer
Mira Kaushik	Akademi
Clare Cooper	Missions Models and Money
Anthony Browne	Laban
Craig Hutchinson	Dancer
Chrissie Tiller	Arts Manager/Consultant

### **Key points**

#### **Arts Council**

- Attendees noted that the Arts Council has historically provided this sector with money to underwrite its loss. The sector needs to move its focus from sustainability to profitability.

#### **Spillovers / Core Fields**

- It was felt that subsidised arts and non profit organisations sit firmly in the creative industries and must continue to do so. Attendees were pleased that this was being recognised through the Creative Economy Programme and the Green Paper would help to clarify this.

#### **Business Models**

- It was noted that non profit organisations use models similar to charities which can 'hold them back and are risk adverse'. If this could be changed it would allow financial support from a range of different investors and the expertise of paid directors. This is currently being explored further by this sector through the Investor Save project Missions, Models and Money.

#### **Education**

- Education and Training in this sector needed to focus on the core creative activities rather than the spillover areas.

- New and improved ways of training needed to be identified which move away from 'outdated conservative and traditional' methods.

### **London as a Creative Hub**

- Attendees explained that London would lose its international status as a leading Creative Hub for this sector unless more support was provided for artists to offset the increasing living costs of London. Many artists – dancers in particular are moving to cities like Berlin where living costs are low and then commuting when necessary to London. We risk losing those artists at the height of their creativity to this issue.

### **Space**

- It was noted that a key issue for the performing arts and especially for dance is the high dependency on physical space (e.g. sprung floors and performance spaces) and that London remains the only place to find these facilities. Furthermore the performing arts is not a creative industry which can be developed on its own late at night as with video games for instance – it takes up time, space and requires a body of people.

## **ARTS, ANTIQUES AND CRAFTS**

Portcullis House

24 April 2007

### **Attendees**

Jonathan Harvey – ACME

Val Millington – Spike Island

Baroness Rawlings – British Art Market Federation

Professor Rod Bugg – Wimbledon College of Art

Professor Ian Pirie – Edinburgh College of Art

Hilary Jennings – Creative and Cultural Skills

Rosy Greenlees – Crafts Council

Edmund De Waal – Tulse Hill Workshop

David Littler – London Printworks Trust

Dr. Anne Thidemann – Frieze Art Fair

### **Core Fields / Spillover**

- Agreed that while this sector sits firmly in the core it can also be found in the spillover fields. Felt there was a need to map the journey in the Green Paper which this sector makes, starting out in the core field before moving through the concentric circles. This is a complex journey which includes academia, personal and commercial factors.

### **Scaling Up**

- certain economic models cannot be applied to all Creative Industries. This sector is more likely to rely on building networks and scaling up through creating a critical mass.
- In this sector the drivers are not always based around economical value. Businesses in this sector don't all want to scale up. For example a jewellery designer is more interested in creating ideas and improving the quality of the manufacturing than producing large quantities.
- Many in this sector do not have the commercial means and business acumen to understand what it means to grow commercially.
- If we focus on scaling up we could potentially lose the smaller companies and 'seeds' which help companies in this sector to grow

### **Education**

- In textile courses, enabling innovation and creativity are not the main focus. Instead students are taught to be more commercial rather than creative. But as the business models for this sector indicate a lack of commercial success, this then diminishes the ambition of the students. If we can support this sector to be more successfully commercial then many will be prepared to increase their level of creativity and take greater creative risks
- Many colleges need to update their production methods, making more use of Digital technologies.

- Periodically asked by the Government what the potential skills gaps for this sector will be; it is hard to accurately analyse the skills which will be required in the future.

#### **Business support from the Government**

- Concern that this is limited to businesses which employ around 40 – 50 people. This does not reflect the typical structure of businesses in this sector.

#### **Other**

- Did not like being compared to the Software and Video Games sector.
- The Craft sector does not have a central crafts college or museum in London.

#### **Networks**

- Greater networking is needed within the sector and with the other sectors which make up the Creative Industries. In the current climate it would be difficult for this sector to arrange for '10 people from the Crafts sector to sit around the table'. Acknowledged that they are aware this would not be the case for the Video Games sector.
- However felt it was unrealistic to 'expect a diverse group with such an intense level of creativity to work together'.