

Response from the Digital Britain London Group

London holds a unique position in the UK as both its capital and a world city. The city is a global leader in digital creativity and innovation, and its energy and capacity in these fields is essential in carving the path forward and creating successful models for ambitious cities across the Nations and Regions, as well as forging the international linkages essential to successfully deliver the vision of Digital Britain. Without reference to and understanding of the role of London, or recognition of the actions required to support it, Digital Britain will fall short.

London: UK creative hub

The DCMS report, *Staying Ahead*, describes London's position "as a global creative powerhouse, in a society that has become more open, diverse and plural, spawning a depth of cognitive diversity which is at the heart of creativity". London has always been the epicentre of the UK's creative sectors, and this continues to be the case. 40% of the UK's creative industries jobs are in London – and one in seven jobs in London is in the creative sectors.

London is a hotbed of innovation and it is a leader in convergence, from the small creative content producer to the major media corporates headquartered here, from its 43 higher education institutions and 55 further education colleges to being Europe's leader in e-government.

London's innovation is built on its creativity. If we look beyond digital media, services and products to the mix of people that digital media attracts and to the provision of creative digital services we see that they are enablers in industries/sectors from health to manufacturing, from publishing to social care. The Interim Report contains very little mention of innovation or of government policy in this area, or indeed government funded research (such as <http://www.nesta.org.uk/beyond-the-creative-industries-making-policy-for-the-creative-economy-policy-briefing/>). It seems to suggest that innovation comes only from the technological infrastructure such as broadband and wireless - whereas much of the innovation comes from the new products and services built using these and from the creative people that are attracted to work in this area.

London is the business centre for the creative sector. "London is the UK's 'creative hub...because it alone can afford to 'specialise' in creative industry employment, providing the infrastructure of commissioning, distribution, management and other professional functions that enable these sectors to get their products to market."
London's Creative Economy: An Accidental Success, The Work Foundation, 2007.

London: the UK's digital gateway

London represents the key point of communication of the UK to the world. It is both the pivot and enabler of international business development in media on behalf of the whole of the UK. London has a key role in inward investment, essential to finance digital media that has an audience not just in the UK but globally. London fosters creativity globally, being the bridge between the UK and the international markets, between big brands and small companies. As the gateway to the rest of the UK, in a

fully connected Digital Britain London can drive the commerce through to the regions.

“London is at the heart of the most advanced digital market in the world” Jens Bachem, MD, Digital Outlook, Think London, Unlocking London’s Digital Media Market 2009

London is a world city in terms of its status and mix of languages and cultures (over 300 languages spoken in the capital – the most linguistically diverse city in the world) but this should not be taken for granted and there are many other cities vying for our position. London has the potential for presenting and positioning the UK as a global player culturally as well as economically and this can be used to reshape our role as a bridge between cultures in the volatile, divided world which has emerged over the last decade.

Cultural and linguistic diversity is an important element within the World Summit on the Information Society (WSIS) Geneva Plan of Action which the UK government and UK stakeholders helped create - see Action Line C8

<http://www.itu.int/wsis/docs/geneva/official/poa.html#c8> - and to which HMG as a member of UNESCO should be demonstrating its commitment. As a signatory to the Convention on the Protection and Promotion of the Diversity of Cultural Expressions http://portal.unesco.org/culture/en/ev.phpURL_ID=11281&URL_DO=DO_TOPIC&URL_SECTION=201.html the UK government has recognised the cultural as well as the economic aspects of cultural services and all kinds of digital content, including games, social media, brand-led and entertainment-led publishing. As an English-speaking country, we are perceived (wrongly) as being less strong on cultural and linguistic diversity than, say, Canada or New Zealand. This can be corrected and will help us culturally, economically and politically.

The Interim Report lacks consideration of the cultural aspects of the digital products and services which the UK can produce and export (and use from elsewhere) and the role that these play in maintaining an international and internationalist outlook. London is the cultural capital of the UK with more cultural institutions than any other part of the country. Their role in providing the substance - the actual subject matter, experts and experiences - that digital media and video can draw from and amplify should not be underestimated.

London: global player

The Interim Report focuses on UK content for UK users – but the global market is crucial, especially for viable business. In movies, ‘Film Four's Slumdog’ Millionaire has been popular in the UK and honoured here, but its significance for Britain’s content industries is that it has captured a global audience – while in television, the BBC’s primary purpose is to serve UK audiences, but its global sales and global approach to content are critical in maintaining its leading role. The Interim Report looks too much at UK providers supplying UK users rather than considering the UK in a global context and seeing our citizens and residents supplying (and using) digital services/products to the world and the importance for our competitiveness in continuing to do this. This is not assured, with many other countries and cities moving quickly to build capacity and capability in infrastructure, people and production

technologies, often unencumbered by the special interest groups and existing practice evident in our mature industries.

London is crucial to creating the international competitiveness for the whole of the UK because of its concentration of finance, technology, creativity, culture and learning.

London is well positioned to leverage synergies across a range of government and non-government bodies and initiatives, in order to both innovate and help deliver on some of the government's digital initiatives around health and education. With most of the major cultural institutions situated in the capital, alongside key government departments, there is an unparalleled opportunity to work cross-sectorally and to create templates/models that can be rolled out both nationally and internationally.

The Interim Report's only mentions of e-government are under universal connectivity on pp59-60: "That means having broadband which supports public services which are inherently information and audio-visual content-rich, such as education and health services." whereas the skills - producers, commissioners and designers - and organisational structures on both supply and demand side for e-government / public e-services are not recognised. The transformation of public services relies primarily on two aspects - design and technology. London is strongly positioned in both of these, as well as being home to the decision-makers in policy, making it the best positioned place to effect these transformations.

In short, London is best placed to seize the national and international opportunities for the whole of the UK and it needs to be supported to do that, not just for the benefit of London itself but for the prosperity of the whole of the UK.

London: challenges and threats

The creative and digital industries in London, as elsewhere, have been disrupted by the radical and unprecedented changes in the regional, national and international media ecologies which are undermining the development, production, distribution, consumption patterns and business models of large and small players alike in the sector.

In this sector market failure is likely to be caused by:

- Lack of appropriate business models – commercial and legal thinking as well as mechanisms
- Lack of knowledge among content creators/service providers of opportunities and how to exploit them, as well as lack of understanding among those who buy/commission content
- Lack of corporate and individual venture finance coupled with strategic expertise
- Lack of effective networks and connectivity

London's ability to address these issues is essential for the health of the creative industries across the UK.

These challenges are now, of course, compounded by the current economic crisis which presents a particular threat to the capital. London is seriously impacted by the collapse of the finance sector – the digital/creative economy being closely linked to the fortunes of the finance sector in the capital.

“The fortunes of London’s creative industries are closely intertwined with those of the wider economy, but appear to be more volatile. Over 50 per cent of the demand for the UK’s creative products – in particular advertising, architecture, and software which make up a considerable proportion of the creative industries in the UK – is estimated to come from business sources. It follows that expenditure on these creative products is particularly vulnerable to any slowdown in business activity.” *DCMS Staying Ahead 2007*

There is currently very little support in London for this sector, the investment from the Regional Development Agency has declined and a lot of activity is moving out of London. This is not generally recognised currently and there is an assumption that "London is OK, always has money". Support is needed to develop the business models, connectivity, infrastructure and markets to underpin the economic success; to maintain the 'buzz' of creativity and innovation; and to grow the skills needed in a sector undergoing such rapid change.

If London cannot get it right, the UK as a whole will miss the opportunities both nationally and internationally. We need a digital strategy for London, and the commitment and investment to make it happen.

London: World Digital City

London can be the world digital city, harnessing the opportunities for all of the UK’s citizens and driving a truly Digital Britain.

Leading up to the Olympics in 2012, a Digital City would provide a lasting legacy, and showcase Britain's innovative, entrepreneurial talent to an international audience. What can our ambitions be for making this happen by 2012? What do we need to put in place? What are the elements: wireless city; control over spectrum by/for municipalities; a Regional Development Agency able to raise funds and invest; a favourable tax regime; cross-cultural content?

London has an opportunity. ***London is: New York, Los Angeles, San Francisco in one city*** – the finance, the creativity and the technology.

The action to make this happen: Action 23 - A Digital Cities Initiative

An action to ensure that London can play its role fully as a world digital city and make its optimum contribution to the vision of Digital Britain

The comments in our response are made by the contributing individuals as professionals - they are not the formal views and responses of the companies or organisations

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