



Communications and Digital Committee

Corrected oral evidence: A creative future

Tuesday 25 October 2022

3.45 pm

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Members present: Baroness Stowell of Beeston (The Chair); Baroness Bull; Baroness Featherstone; Lord Foster of Bath; Lord Griffiths of Burry Port; Lord Hall of Birkenhead; Baroness Harding of Winscombe; Lord Lipsey; Lord Parkinson of Whitley Bay; Baroness Rebuck; Lord Bishop of Worcester; Lord Young of Norwood Green.

Evidence Session No. 9

Heard in Public

Questions 73 - 80

Witnesses

I: Dr Molly Morgan Jones, Director of Policy, British Academy; Robert West, Head of Education and Skills, Confederation of British Industry (CBI); Seetha Kumar, Chief Executive Officer, ScreenSkills.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Dr Molly Morgan Jones, Robert West and Seetha Kumar.

Q73 The Chair: Welcome back to the Communications and Digital Select Committee. This is the second panel of our session today on the skills issue as it relates to our inquiry on the future of the creative industries.

For those in the room, this is just a reminder that we are transmitting live on the internet. A recording of the proceedings will be made via both video and transcript, both of which will be available on our website in due course.

As I said at the beginning of the previous session, if we had skills experts in our last session, we are now looking at industry representatives, both from the creative industry but also from the industry more broadly. We are very interested to hear why you think skills shortages in the creative sector specifically matter, where you see them and what it is that needs to be done to address those gaps. I urge all three of you to be as specific and candid as you can be in responding to our questions. The more specific you are, the more helpful it is to us and therefore, hopefully, the more value we can add from this inquiry in the recommendations we make.

Thank you to all three of you for being here. May I ask you to introduce yourselves briefly and say which organisation you are a part of?

Seetha Kumar: I run an organisation called ScreenSkills. We are an industry-led skills body. We work across film, television, visual effects and animation. We do some games; it is an area we want to go more into. We are data informed in that we focus on the skills gaps and shortages you see now, but we also try to understand what skills are coming up on the horizon so that we can take a future-facing look at it.

We work across the pipeline, doing quite a lot of work in careers. I noticed that you mentioned that in the previous panel. We are also one of the partners of the Creative Careers programme. We think through how we work with education, all the way up to how you help people to get in and then move up. In all that, our focus is to build an inclusive workforce so that we can compete effectively in a global industry.

Dr Molly Morgan Jones: I am the director of policy at the British Academy. The British Academy is the UK's national academy for the humanities and social sciences. We mobilise these disciplines to understand the world and shape a brighter future. In our policy work, we apply the insights of all those disciplines, with our fellows, researchers and academics working in this space, to policy issues for public benefit and societal well-being. We cover issues across the policy spectrum but, relevant for this committee today, they include skills, higher education, and research and innovation policy.

Robert West: I am the head of education and skills at the CBI. The CBI is a not-for-profit membership organisation speaking on behalf of

190,000 businesses of all sizes and across all sectors. It includes more than 70 university members and more than 30 colleges as well.

Q74 The Lord Bishop of Worcester: Thank you for being here this afternoon. The first question is a general one about skills shortages over the next five to 10 years. You will know as well as anyone about the skills shortages that are around. Indeed, the CBI has suggested its survey shows that more than three-quarters of businesses say that access to labour is threatening competitiveness. In the creative industries, the BFI skills review suggests that between 15,000 and 20,000 new employees will be needed by 2025. There is great worry about that. There is a worry from the Institute for Creative and Cultural Entrepreneurship over lack of understanding of business and legal skills. There are then all the questions of international competitiveness and whether we are in danger of losing skill.

There is a picture of skills shortages. The question is a straightforward one: how concerned are you about those skills shortages? How severe will they be? Since I quoted the CBI, shall we start with you, Mr West?

Robert West: Our members are very concerned. As you say, our own research has shown that labour and skills shortages are ranked as the primary concern for businesses across all sectors. We know this to be the case, as you say, for the creative industries. Our own work in this sector, a 2019 report called *Centre Stage*, identified that the sector faced skills shortages then and risks to the talent pipeline, particularly driven by the changing nature of the way we work and by advancements in technology. The impact, if unaddressed, of labour and skills shortages could see the UK economy lose something between £30 billion and £39 billion each year.

We also have 80% of the 2030 workforce already in place. Reskilling and upskilling people who are already working in the creative industries, as well as others, is the biggest game in town, we would suggest. It is critical that we address that. We really need, frankly, to be taking labour shortages and skills shortages more seriously.

Seetha Kumar: Skills are currently the biggest single inhibitor to growth. I use the word "growth" because our sector—I am talking about the screen sector—has been growing exponentially. Some of the growth and skills pressures we saw pre pandemic, and then obviously post—although we are still living in Covid times—we are doing catching-up after lockdown, plus there is growth. The challenges are that there is wage inflation, and it has led to practices such as show jumping and/or people being stepped up too soon.

The other point I want to make is that a lot of the skills gaps and shortages are in what I call mid-tier roles. They cover the gamut—production accountants, location managers, hair and make-up, the lot. These are skills or competencies that cannot be oven-baked.

Just referring to the BFI report, which we contributed to, it is quite narrowly scoped; it only looks at scripted, and within that it does not look at visual effects, animation or post-production, which can account

for a third to a fifth of a budget. Nor does it look at unscripted, which includes programmes such as “Strictly Come Dancing” and “The Great British Bake Off”, which, as you know, are massive global exports. There is something that worries me; I have been sounding a bit like a stuck record. Forgive my candour. We have been talking about this for a while, since pre pandemic. We have policies in place, such as the apprenticeship levy, that do not work for the sector. We need investment in skills because the prize is there for everybody in terms of jobs and industry growth. In this period, we have had quite a lot of infrastructure projects greenlit. By that, I mean studio spaces. Quite often, these are greenlit without an accompanying skills plan. There is something not quite right. I was referring to a question you mentioned in the previous panel about what it takes for us to recognise that we currently are massive in the world—probably the second-largest after the US in terms of inward investment—but actually we could lose all of this.

Dr Molly Morgan Jones: I will just add from the perspective of the British Academy. We share these concerns. I would endorse what my fellow panellists have said. I will also try to paint a picture across the whole sector of humanities, arts and social sciences subjects. A lot of what I will say now and throughout the session draws on a long-running skills policy programme we have, which until recently was chaired by Professor Sir Ian Diamond, who is the National Statistician and chairs the new Unit for Future Skills that we heard about in the previous session. You have all those reports, which have a lot more data in them.

We refer to the humanities and social sciences subjects as the SHAPE subjects: social sciences, humanities and the arts for people and the economy. They teach us a whole range of skills. This idea of horizontal skills is really important; it came out a bit in the last session and has come out a bit in your previous sessions, in terms of the idea of the creative industries as a horizontal sector. It has things that are specific to different areas but also has a whole set of skills that cut right across.

We have found throughout our programme that skills that are gained by graduates of the humanities, arts and social sciences are quite cross-cutting. They are things such as critical thinking, innovation, creativity, collaboration, deep research and analysis skills. There is something really important in recognising that those are very strong skill sets. They might not be technical engineering skills or technical data science skills, but they are skills that are really important.

There is OECD analysis we can look at that says that skills shortages in the UK are projected to be prevalent in STEM-related subjects, but also many in knowledge areas strongly linked to the creative industries, such as design, technology, sociology, anthropology and fine arts—things that help us understand culture. We know in their projections, as other people have already said, about skills shortages in the digital skills, but we also see real skills gaps in core management skills such as leadership, decision-making, entrepreneurship, et cetera. It is important not to lose sight of those areas as well. We are not the only people saying this. Organisations globally, such as the World Economic Forum, also project

that those same sets of skills are going to be really important in the future.

I would highlight two additional things. We know that graduates and those who work in the creative industry sector, including many from the SHAPE disciplines, are more adaptable and more resilient across the economy, and are more likely to have portfolio careers, particularly in the creative industries. That is really important to recognise. They are not always following particular career trajectories.

We can see that they have the ability, and the data shows they are more resilient than graduates with STEM degrees in adapting to changing economic context. A lot of this about future skills can come across as crystal ball-gazing; it is, to some extent, but we have strong evidence about some of these foundational skills that are absolutely crucial.

Q75 The Chair: Just to pick up on what was said during the previous session, Dr Morgan Jones, do you have any view about the difference in where people are not obtaining these skills? Where do you point the finger—school, college, university? Is going to university now just not equipping people correctly?

Dr Molly Morgan Jones: I would echo what other people have said, which will sound like I am dodging the question but I am really not. We need to do a lot better at integrating across all of these different areas. There is not a single silver bullet across our education system. I mean that from primary, secondary and all the way through. We have a lot of fragmentation in the system. I was pleased to hear Professor Spier, sitting here just before me, talk about the split in the ministerial brief, which I think happened—I am going to lose track of the years—during the tenure of Boris Johnson as Prime Minister.¹ The government split that brief. It used to be joined up within the Department for Business, Energy and Industrial Strategy. That made a difference because you had a much more integrated approach at least to that area of the education system. That would be my short answer.

Baroness Harding of Winscombe: About three or four years ago, I sat on the Economic Affairs Committee. We did a review into higher and further education. A number of the things we heard there you have just repeated, particularly the point about lifelong learning but also the join-up between industry, business and our education system. The question I want to follow up on is: what do you think is specific and unique for the creative industries versus our overall skills problem as a country? I direct that to Mr West. I am worried that the danger is that we are repeating a broad problem the country faces, and I would like to understand if there is anything specific to the creative industries that we are missing.

Robert West: Part of it is the often informal nature of cultural and creative work. That adds a difference as well. The specific issues are

¹ Updated by witness: The ministerial brief for universities and science was split during the cabinet reshuffle carried out by former Prime Minister Boris Johnson in February 2020.

around how you pin down what creativity is when you break that down. It runs across various sectors. One of the things we need is that more holistic approach and the recognition of where creativity appears in other areas too. That makes the creative industries quite difficult to pin down. It is a broad church of organisations.

We have talked for some time about getting better at evidencing what the skills needs are for the creative industries, but that scarcity of data on what the contribution is to the various parts of the creative industry sector causes the kind of issues that you are alluding to. We do not quite know what that sector is. We are ranging from everything from advertising to film. They do not necessarily all attend the same meetings talking about the same issue.

Seetha Kumar: One of the key reasons is that it is quite a disruptive sector, particularly elements within it. The screen sector is disruptive creatively, technologically and from a business model perspective. Textbooks and curricula—it's really hard for them to keep up. We need to think of what the transferable competencies are that you need and how you engage a young child in that world of problem-solving, creativity and imagination. What we need is a radical reshaping of school, higher education and further education—I am a great believer in the vocational route—if we want to think about the world of tomorrow.

Q76 Baroness Bull: Given the breadth of what we mean when we talk about the creative industries, do we need to sound any note of caution here? Are there skills shortages across the entirety of those sectors, from architecture to publishing to ballet dancers, or are there areas where there are not skills shortages? I am conscious that we are talking about a vast array of sectors here.

Robert West: We are. At risk of falling into the trap that was set before, part of the problem is that, across the whole of the CBI and across all the various sectors, let alone the industries involved in the creative industries, people are saying that skills shortages and labour shortages are the big issue. It is probably to varying degrees; I am sure Seetha will talk about the specifics to do with film industries. You can all highlight some of those at different times.

Tackling skills shortages is something that really needs to happen. This is where we come into how the education system supports that, or otherwise. We still have an education system based on the idea that you get educated or trained up to the age of 18 or 21, and then you get a job. We know that is not true. That is the area we need to get into, and that is why we continually have this issue to do with skills shortages.

The Chair: I am going to move on but, if you have points that you have not been able to make but feel that we need to know, we can always provide an opportunity for you to do that at the end.

Baroness Rebuck: I am hearing that we have an overall skills problem—a skills shortage. We have begun to look, in other evidence sessions, at the STEM subjects being promoted in education at the expense of arts subjects. I am sure that most companies, creative or

otherwise, need a highly skilled technical layer of staff, although we heard from Professor Spier that that seems to change much faster than some of the horizontal skills you have been referring to. We also heard from Professor Spier at Kingston that what he in a sense prizes above everything else are these horizontal skills: critical thinking, being able to work in teams, solve problems, and so on.

I keep quoting a study from Stanford University where global CEOs said that creativity is the most important skill they need in their workforce because that is the way they are going to be competitive and stay ahead. The question is how we strike the right balance here. Is it wrong at the moment? Does it go all the way back to schools? We also heard that, in Singapore, they have plugged design into primary schools. What needs to happen? Are you talking about a reorganisation and reconception of the whole system? This is too big. We need to get down to specifics. What can we do? What is the fundamental problem?

Seetha, I see you nodding. In a sense, you are in an interesting position because you train young people specifically to take up some of these jobs in animation, film and so on. What is the problem?

Seetha Kumar: If you look at the whole school education system, we have an education system that needs looking at again. The education system we have today came out of the Industrial Revolution. We are in a different era. What are the competencies we need? I would say imagination and also making education exciting—making the polemic exciting. I was at a meeting the other day where they were talking about design and technology: first, the curriculum is quite boring; secondly, you cannot get the teachers. These are key areas.

If I think about the holy trinity, it would be creativity—as Rob says, we need to define what we mean—technology and entrepreneurship. Then there are obviously the lateral horizontal skills you talked about, which include: critical skills, problem-solving, analytical skills and the rest.

The challenge we have right now is that we have in school not enough known about the creative industry. The gentleman there talked about the work we need to do much more of in order to enable young people to know about the breadth of job roles. We have done a lot but we need to do more. We have 200 job roles on our platform. There is much more work to be done. The challenge we have right now is that we have 4,120 creative courses in higher education—across animation, film, games, television, media production, screenwriting, post-production and visual effects—yet you have employers saying, “We cannot get people that we can recruit”.

Baroness Rebuck: What is the problem?

Seetha Kumar: The problem is the disconnect.

Baroness Rebuck: Are they teaching the wrong things?

Seetha Kumar: If I could, I would love to map out the areas and jobs where you actually need a degree, and the ones where a further education vocational pathway is more suitable. There are lots of jobs in

our world where a vocational pathway would be easier and more fulfilling. If you really believe in access and equity, that is the way to go. We need to do that work. It is a moment in time where we need to actually do that.

On further education, as the gentleman earlier said, it has been neglected. You need scale, especially if you are going to do things like animation or visual effects, or new areas in virtual production. In our world, jobs and competencies are changing a lot. I always say that to stand still you have to move forward, because that is the reality of our world.

Baroness Rebuck: Robert, what I think I heard you say was that these horizontal skills, these creative skills, are necessary across the whole of industry. All of your members are saying they want them. Do you see a problem if we continue to downgrade the arts subjects in favour of STEM subjects?

Robert West: Yes. Creativity is key when you are addressing the future of work. Creativity needs to be in there. In relation to STEM, of course, it means we need to recognise the creativity in STEM and recognise the STEM in the creative industries as well. Our members tell us that fast-moving technology is a key issue. Technology is out of date by the time someone has created a training course to deliver it, especially if it has to be accredited by a third party. It is a fast-moving sector. There is a danger of it being downgraded, but it comes from this odd desire we have to try to silo everything and put everything in a box when actually we know that everything is interdependent.

Baroness Rebuck: The other thing I wanted to ask you about was the upskilling question. I am really interested in Germany, where large creative and technology companies offer their workforce scholarships to do online nanodegrees in data management or AI. In the last one I read about, they were offering 50,000 scholarships. That is not insignificant. What is the responsibility of larger businesses, given that technology changes so fast, to insist that the right kinds of courses are created, whether they are in person or online? To what extent do you feel that businesses need to jump into this, along with a proper conversation with the Department for Education, to make sure this happens in real time?

Robert West: I would not say it is just larger businesses. It is smaller businesses as well.

Baroness Rebuck: Sometimes it is about the cost.

Robert West: Yes, exactly; they are the barriers. The rollout of the local skills improvement partnerships, for example, provides a chance for a greater voice for employers with the education providers. As you say, though, people need to be able to jump into that. It is not quite as simple as putting something on just for people to turn up. If you set up a local skills initiative partnership and invite people, the usual suspects might well come along, not necessarily the people who are important in terms of providing local skills.

There is a need to try to lift the barriers and ask businesses, “Why are you not engaging with that?” There is a lot that businesses are doing in terms of upskilling and retraining their workforce, but there is a lot they are prevented from doing as well. We need to ask what those barriers are and whether we can begin to lift them.

Baroness Rebuck: What they are prevented from doing? Do you mean just because the courses are not there for them to engage with?

Robert West: Absolutely yes, in terms of the apprenticeship levy, for example. We have been calling for that to be evolved into a skills challenge fund and to give flexibility for businesses to do it. Seetha’s own organisation said that, of something like 42% of levy payers within ScreenSkills, only 11% were using their levy. It is not that people do not want to do that, but what they are asking is for training that is modular, short and responsive to the particular problems and issues they face. That is one key barrier that could be lifted to enable more investment.

It is also partly a cultural thing. It gets put to us that businesses in the UK do not invest as much in skills, which is true. The UK Government do not invest as much in skills either. Adult education is about 3.4% of the UK’s spend on education. We have already talked about upskilling and 80% of the 2030 workforce being in place. We know there is a need for it, but it is not particularly being dealt with. Part of the answer to why we do not invest more is cultural. This applies to the creative industries. Why do we not do it? It is because we do not. We do not have the culture of doing that.

Baroness Rebuck: The evidence appears to be there that we should.

Robert West: Yes.

Baroness Rebuck: I will come to Molly because I know she has had experience in government and is also looking at this all the time. How do we solve this conundrum?

Dr Molly Morgan Jones: I will come back to solving. I really support the idea that we need to have a more interdisciplinary, broad and balanced approach. It is important not to pit STEM and SHAPE against each other, but to think about the benefits; Rob put it very nicely.

We really need to come back hard against this constant rhetoric that comes from the Government and media and in other circles around low-value degrees. We see that coming around a lot, and we have put out many statements on this; again, I can submit that to the committee in follow-up. We need much better ways of thinking about the value of degrees that are not solely focused on economic value, particularly around the data that comes out of the Longitudinal Education Outcomes data, which is just about wages. It is really unsatisfactory. For the creative industries, in particular, it does not take account of a whole range of things in terms of the way that sector works; you have people who are self-employed, who might be in and out of work, who might go abroad and come back. The LEO data set does not capture any of that data. That is the first point.

We need much better ways of thinking about social and cultural value and the whole mix of things that people get from any degree, but particularly the SHAPE degrees that go on to support a lot of the work in the creative industries in particular.

Baroness Rebuck: We get frustrated around this table that we have been saying things like this but nobody seems to be listening. Are you saying that we are not actually making the points in the right way and we have not got the right evidence? Or is it about the structure, as we heard in the last session, of the way the different departments are siloed? That is a word that came from the last session. What is the evidence and what is the solution?

Dr Molly Morgan Jones: We do have the evidence. It is pretty clear. We need to think a bit more about the social and cultural value, because for those of us in this room, we see it as inherently valuable but sometimes that argument is difficult to make. Perhaps that has to be quantified or monetised in some way, though I know that horrifies some people, if I can be blunt. That might be part of it. There are ways that you could do that. We have QALYs (quality adjusted life years) in the health sector, and there are methodologies we could explore. It is not as much an evidence problem as it is about the structures and being heard in a way that is going to lead to meaningful change.

Q77 Lord Parkinson of Whitley Bay: Before we come on to what the Government and policymakers can do, which is obviously important, what can the creative industries themselves do to help identify and address the skills shortages that are there? Ms Kumar has experience from one particular part of the sector in ScreenSkills, but are there examples in other parts? As Baroness Bull says, this is a diverse range of industries. Are some of the things that are possible in, say, film and television a greater challenge for organisations that are smaller, do not have such deep pockets, do not have the established umbrella groups that represent the sector or perhaps are more reliant on freelancers rather than a static workforce and are therefore unable to build that sustained relationship with the workforce and improve their skills?

Seetha Kumar: One of the reasons why, within the screen sector—film, television, visual effects and animation—it felt really important to come together was because the business model is fundamentally fragmented, because you have small indies or special-purpose vehicles that come up and then they disappear, and then they come up again. As you say, there is a hybrid model. There are those who are on fixed-term contracts and there are quite a lot of people in the freelance workforce.

Things like access, equity, quality and relevance in skills are key. I am someone who learned my trade at the BBC, which used to be the cornerstone for training. Those days are gone. It is a different world. It took us a long time, but we were trying to bring the industry together and focus on how we create the skills pipeline so that we remain globally competitive and build an inclusive workforce.

I have been doing this job for seven years. What has been brilliant is how much change has happened and how much industry gives in terms of not just money but their expertise and value. Expertise and value are really important because, as we have all heard, it is a fast-changing sector. It is also not a qualification-based industry. It is much more work-based; you learn on the job. Knowing what is going on at the coalface is really important so that you can respond with agility and speed.

The other thing we felt was really important is how to professionalise skills. By that I mean, if you enter the industry, as we have heard previously, it is quite hard. It can appear quite opaque. How do you enable access? How do you enable somebody who has perhaps come from a disadvantaged background on a freelance contract? How do you give them the scaffolding and support to navigate our industry? How do you help them with pathways? That is the sort of work we are doing. If you are, say, a junior person in locations, how do you move up? If you are an AD, moving from third AD to second AD, what are the ladders of progression? That is the sort of work we have been doing.

The final piece is about how we work together as a sector to acknowledge some of the challenges that we recognise the sector has, such as long hours and some of the behavioural issues. You mentioned inclusion. How do we make that change happen collectively? If you own it, you will make it happen.

That is the sort of work we have been doing. I would argue that, yes, it is hard to do this sort of work because it is a fragmented and fast-changing industry, but there are always lessons that may be transferable but need to be adapted and nuanced depending on the sector.

Lord Parkinson of Whitley Bay: How much can you take those lessons and apply them to the other subsectors in the creative industries? For instance, particularly following the pandemic, people are leaving live theatre to go and work in film and TV, partly because it opened up more quickly after the pandemic but also because there is that scaffolding, as you say, to nurture careers and skills. How can we take the work you are doing in film and TV and replicate that in others?

Seetha Kumar: There are two things. One is by sharing; we talk a lot to theatre and the cultural sector to see how we can transfer and learn shared lessons.

The other thing, from my experience having worked at the BBC and then subsequently having worked in global vocational education, is that smart sectors think through the pipeline. If you look at life sciences, construction, engineering and tech, they all do that. When I came into this world, I learned, first, from my experience at the BBC and having done different jobs there; and, secondly, my experience working for Pearson. I realised that this is an opportunity for us. We need to think about people because, as we say in our organisation, you cannot make shows without the people. It is as simple as that.

Lord Parkinson of Whitley Bay: Dr Morgan Jones, how do we spread

this throughout the creative industries more widely?

Dr Molly Morgan Jones: I agree with all of that. We have touched on this a little already, but it is important for businesses to understand and articulate what it is they feel they are missing and then be able to map that on to the education system at whatever level. Is it skills? Is it areas of knowledge? Is it specific qualifications? Sometimes it is easy to conflate all three of those things when actually they are very different things offered in different parts of the system, as we heard in the previous session. Digital skills are not only found through digital science or data science graduates; they might be picked up by people in design or even in philosophy, languages or linguistics. It is important to understand and help businesses to articulate where they are looking for different skills and where they get them from.

We have also heard about businesses working with education providers. My area of expertise and what we do at the Academy is not so specific to businesses, so I feel a little like I am extrapolating where I do not have as much deep expertise as my two fellow panellists, but this co-creation of course content and this understanding of where you can learn from others across your particular sector are really important.

There is also work that we have been trying to do on the higher education and research side of it, working with learned societies, universities and even secondary schools with A-levels, to try to provide a sense for parents and students about where they might be able to go with different degrees. We have been working to provide curriculum pathways guidance.

This is going to sound a bit random, but the Society for the History of War has made a really great pamphlet about some of the transferable skills that studying history can bring you. That is being used within schools, particularly with parents and students right at the coalface, to show them, "Just because you are studying history does not mean you have to go on to be a professor of history. You can do a range of things, and these are the diverse career pathways".

We will be coming out, in the next week or two, with the third in our skills reports, which show several different live case study examples of individuals who have got a degree in, say, philosophy but are now working within the NHS.

Lord Parkinson of Whitley Bay: How are you plugging that into industry? That is work with learned societies and educational organisations but how do we get that to industry, and get the response from industry that you think is needed?

Dr Molly Morgan Jones: For us, it is working with organisations such as the CBI and other sector bodies, and saying to them, "What can we bring to you from the research and higher education side, and what do your members need?" We have a lot of partnerships and relationships like that across a range of areas. Like everyone, there is probably more we could do to support that.

Robert West: There is a particular challenge for the creative industries in that a lot of creative industries work is short-term or project-based. The need to have somebody with the skills now to be able to deliver now is very acute. We are living in times, post pandemic, where businesses generally are short term-focused. We need to look at how you can help creative industries organisations and businesses develop their workforce over time. Like you say, how do you understand what your skills needs will be in the future and therefore what your role might be to play in developing that talent pipeline? The previous group talked about Discover Creative Careers, which is a programme I was involved in before with a previous hat on. That better career guidance, with more information about the future, is something that needs to come out.

The issue is that we look at short-term solutions and we also talk about long-term solutions. Often it is the short term versus the long term—which one do we need? The answer is that you need both. You need short-term plus long-term solutions going along at the same pace. There is a particular issue for the creative industries in the often short-term nature of the work. That is why 70% to 75% of the workers in the creative industries are believed to be freelancers.

Lord Parkinson of Whitley Bay: How do we encourage industry to see that there is a benefit for them in upskilling freelancers, who may not work for them immediately but who will be there as a ready pool for when the projects demand so that they are not then saying, “Crikey, where are the people who know how to do this?”

Robert West: There is a thing that is there to be done about making the business case for better engagement. If you take something like the Skills for Life campaign that the Government have, there are lots of very interesting and worthwhile opportunities, ranging from apprenticeships to T-levels and Multiply. There are a whole range of things. They are written, not unreasonably, focused on the individual who might be doing that course. I have not seen a version that is talking to businesses about how being engaged in it might benefit them. If your first engagement with a T-level is a request for a 45-day placement, that is not necessarily going to get you on board. More needs to be done in terms of making the case to businesses within the creative industries as to why investing in something and creating that bigger pool of talent will benefit them, not in the short term but in the long term.

Lord Parkinson of Whitley Bay: That is easier for the bigger businesses than the smaller ones.

Robert West: It is. That goes back to my thing about lifting that barrier. It is about understanding that we need those people. The West Midlands car industry used to oversubscribe its apprenticeships quite deliberately, because it knew apprentices would drop out and it also knew they were sending out to the industry a number of apprentices, trained to a standard they knew, who were going to benefit because they could be coming back to it. It was doing that decades ago, but it is something similar. It is taking that responsibility and saying, “We are doing this for the industry. We are doing this for the sector”.

Finally, it is about that cross-fertilisation of what you do. I happened to bump into a friend of my son, who is doing a prop-making course at a drama school. In the conversation, he said, "It is only for theatre". I said, "Is it? You are making props". It is being sold to him as a course to make props for theatre. Expanding that horizon of what they can do is really important.

Q78 Lord Young of Norwood Green: There are a lot of young people who are inventing new games, and they are doing it almost in a subterranean way. Have you found any means of engaging with them?

Robert West: Yes. Some of the institutes of technology that we have been around have been working quite hard on how to engage with those young people. There was one I visited a little while ago. They were saying to me that of course a lot of the young people were attracted because it was about games, but they are now seeing how their games are useful in other situations as well. That came because you had a principal and a CEO there who were saying, "This is of benefit. This work on AI will have a particular benefit, as will this work on VR and mixed reality". We are seeing it at institutes of technology. If it is placed as, "This is something you should be doing", showing the broader options, that is going to be a benefit. There is a start.

Q79 Lord Lipsey: I will be brief. Something has struck me about the role of government in the many sessions we have held. There seems to be a very large number of schemes. I will not run through a full list, but there are the institutes of technology, the level 3 lifetime skills guarantee and all that. What is not so clear is whether, in scale and in putting these things together, the Government are successful. Some of these schemes are only £2 million or £3 million, so they do not really count. Some of them may not be integrated with others. I am not going to argue a "big is beautiful" case, and I do not want all the people doing a successful skills grass-roots job spending their whole time on trains to London for some giant skills council, but within this is there at least an integrity of thinking about the goal of all these programmes and whether they are really successfully coming together to provide the impetus we need?

The Chair: Who do you want to direct that at first?

Lord Lipsey: Perhaps Mr West. He was nodding his head, so I hope I might get some sympathy.

The Chair: We are really concentrating on what the Government are doing.

Robert West: There are circa 400 qualifications available to employers, but they do not always align to local skills needs or local sector needs. That mapping of lists of qualifications, particularly in the light of the lifetime skills guarantee, is needed to look at whether we are providing the tools with which you will have the right people with the right skills doing the right jobs. That is the bit I am nodding my head on. That is another reason why businesses do not engage: it is too complicated to get involved. There must be a way of making it simpler. Particularly if we

want some of those smaller businesses involved, it is essential that we make it simpler.

Seetha Kumar: I just wish the Government, or anyone coming up with a policy, would talk to the industry. We can then work more smartly. We have had lots of interventions. We have talked about the apprenticeship levy, but I can talk about T-levels. They just do not work for our industry. This is where the disconnect happens. In terms of policy, talk to us.

I also agree with the previous panel about the structural challenge. You have it—skills—in three different departments. We are a global industry and a growth sector; in fact, I read that our GVA is higher than automotive, life sciences and aerospace combined. We are a growth sector for jobs. Talk to us because, at the end of the day, we know what we need. That is the disconnect. We have rigid policy and a one-size-fits-all approach.

Dr Molly Morgan Jones: You said it earlier. We also have a lot of policy in this country that is not built for our economy and sector. We have an 80% services-based economy. The creative economy, from 2014 to 2020, was growing at twice the rate of the UK economy, yet we have a lot of policies for education, higher education, research and innovation that are very much directed at engineering, manufacturing, science-based sectors, et cetera. I am not saying that none of that is important, but we have a disconnect between the reality of our economic structure and the policies to support it.

I have already talked about low-value rhetoric. We have talked about championing a broad, balanced and interconnected education system. We need better data; we need better ways of measuring R&D and the connections that makes to productivity. I know you have heard about this, but this is something we are currently doing a lot of active work on. The way we measure R&D in this country is very segmented across different government departments. The way we count tax credits does not account for any R&D that happens in the social sciences and the humanities. We talked about international comparisons; there are other countries around the world that do allow for this. None of these is going to be the single silver bullet, but there is a lot more we need to do to join up.

We hear a lot, across a range of policy areas, this idea that there are so many different schemes. That is particularly at local and regional levels, whether it is local government or small local businesses. They are just overwhelmed by this constant need to respond to different agendas, funding opportunities, et cetera. They do not have the skills to respond to the money that will give them more skills capacity. There is something about simplification of the system that needs to occur, not just in this area but across a range of sectors.

Q80 **The Chair:** Are there examples of other countries you would point to that we should be looking at where they are doing it better?

Seetha Kumar: There are two areas I would look at. In animation, Pixar and DreamWorks go to Gobelins in France to recruit people. There must be a reason why. What can we learn?

Secondly, if you look at visual effects, it is worth looking at India and Canada. They are hoovering up quite a lot of business and growth. We should again ask the question: looking at the global ecosystem and the role we want to play, what do we need to do if we want to be in this magic fusion of creative and technology?

The Chair: Have any of your organisations looked at that already, in terms of whether you have a ready-made understanding of why these different countries are doing better or stealing a march on us? You do not need to unpack it in detail now but, if you have anything you want to send us, please do.

Seetha Kumar: I will send a bit of information on visual effects, definitely.

Dr Molly Morgan Jones: We have data on international comparisons of R&D, so that can help to feed in here. We work closely with Nesta and its creative industries policy group, so we can feed that in.

Robert West: Going back to my point, it is to do with culture as well as attitude. Countries such as Denmark, France and Slovenia lead the way, spending two or three times the EU average on skills. We currently spend half the EU average. There is an attitude element. Latvia spends an awful lot. I do not know that it is wise in any situation to take something, lift it and put it in place, because things happen in the context in which they happen, but it starts with that commitment to saying, "Skills are important and therefore we need to invest in our skills".

The Chair: If you can provide us with anything—for example, if you have any evidence that shows that the result of those different countries being further advanced or doing something better than us is giving them a significant advantage over us—please do provide that. That would be very helpful.

Dr Morgan Jones, in terms of your concerns and comments about low-value degrees, you were critical of the negative rhetoric around that. I noted what you said but it would be helpful, with that causing so much annoyance and aggravation for people, to understand better what the value of these degrees is. If you are able to be more specific in that, it would be helpful. Part of the problem we feel—I am speaking for myself—is that, if the critique is not being responded to in the way that people would like it to be responded to, there is something about what is being said rather than the people who are doing the responding. It is always worth thinking about that. I am not going to open it up because I do not want to get into a discussion about it but, if you have something you would like to follow up with in more specific detail, that would be great.

Dr Molly Morgan Jones: Yes, I can do that.

The Chair: The final thing is that we asked you to be candid and frank.

Is there anything you came here wanting to say that you have not had the opportunity to say? I would like you to do so.

Seetha Kumar: The one thing for the screen sector that I would really request is government policy to support an industry-led approach and not inadvertently cause duplication and further fragmentation. The reason I say that is that ours is a fragmented sector. It is quite confusing. In LA, for example, they would not know who to go to because there are so many other bodies. Anything the Government can do to clarify and support an industry-led approach would really help the sector.

Dr Molly Morgan Jones: Just because you have pointed to the low-value courses, I would be happy to follow up with more specifics. The very real effect we are seeing is that universities are closing or being asked to close or justify low-value courses. We would argue that it is not happening on the basis of evidence that is being looked at in a holistic way.

I have one data point to put in there: SHAPE graduates across the board have seven of the top 10 annual wage growth rates. Creative arts and design is the tenth, with graduates experiencing a 5.5% annual increase in their wages. There is a real disconnect between what we are seeing in terms of the rhetoric and the justification for asking about low-value courses, with this negative perception of them, and what the reality is in the economy. I will follow up with more data on that.

The Chair: I would be interested to know whether some of these graduates are going for museum and library-type jobs, which seem to be oversubscribed. That would be interesting to know.

Robert West: DCMS's own research shows that two-thirds of firms currently have digital skill vacancies, costing an estimated £63 billion a year in lost GDP. If there is a real urgency and a need to address some of these skills shortages, our view would be that it is vital that adults are able to take on additional skill sets while in gainful employment. We therefore need a systemic shift in our approach to skills investment across all the creative industries and beyond.

The Chair: Thank you very much, all three of you, for being here this afternoon and being frank and candid. We are most grateful to you. I draw this session to a close.