



HOUSE OF LORDS

Revised transcript of evidence taken before

The Select Committee on Digital Skills

Inquiry on

DIGITAL SKILLS

Evidence Session No. 16

Heard in Public

Questions 205 - 209

TUESDAY 28 OCTOBER 2014

12.25 pm

Witnesses: Dinah Caine and Saint John Walker

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on
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Members present

Baroness Morgan of Huyton (Chairman)
 Earl of Courtown
 Baroness Garden of Frognal
 Lord Giddens
 Lord Haskel
 Lord Holmes of Richmond
 Lord Janvrin
 Lord Lucas
 Lord Macdonald of Tradeston

Examination of Witnesses

Dinah Caine, Chief Executive Officer, Creative Skillset (Sector Skills Council for the Creative Industries), and **Saint John Walker**, Head of Development, Creative Skillset (Sector Skills Council for the Creative Industries)

The Chairman: A bit of housekeeping first. You have a list of interests that have been declared by Committee members that were declared back in July. They are also in the transcripts. This is a formal evidence-taking session of the Committee and a full note will be taken. This will be put on the public record in printed form and on the parliamentary website. You will be sent a copy of the transcript and you can revise any minor errors that are within that. This session is on the record. It is being webcast live and will subsequently be accessible via the parliamentary website. You are very welcome to submit any supplementary evidence, and particularly because we are slightly at the tail end of the morning, if we end up a bit tight and you want to send us some further stuff, that is extremely welcome. We all need to speak up pretty clearly because the acoustics are okay but not brilliant. That is by way of introduction. I am going to ask you to introduce yourselves. If you want to make any opening remarks, that is fine; otherwise, we will kick straight into the questions. Ms Caine?

Dinah Caine: My name is Dinah Caine. I am Chief Executive of Creative Skillset, which is the industry's body for skills in the creative industries. I also chair the skills and education work of the Creative Industries Council, which has developed and is leading on industrial strategy for these industries. This is my colleague.

Saint John Walker: My name is Saint John Walker. I am the Head of Development at Creative Skillset. I look after designing skills solutions for the creative industries.

The Chairman: That is great. Do you want to make any opening remarks or shall we head straight in?

Dinah Caine: In the interests of time, just very briefly, the evidence and the views that we bring to this session—thank you very much for inviting us, by the way, to give evidence—very much stem from our work interfacing with employers across the creative industries and taking recommendations and analysis that fed into the development of the creative industries strategy.

Q205 The Chairman: Thank you very much. To kick off, we wanted to meet you this morning because we have heard intermittently quite a lot about the importance of creative industries during the course of this inquiry as an important driver for the UK's growth and competitiveness. Just define for us, if you would, the level of the importance of creativity and how the creative industries can be supported better both nationally and locally going forward.

Dinah Caine: Okay. That is quite a big question.

The Chairman: A big, broad question, yes.

Dinah Caine: If we can take that in chunks, then maybe people might want to press pause buttons and intervene as we are going through those chunks.

The Chairman: Absolutely, yes.

Dinah Caine: Okay. The creative industries at the moment are growing faster than any other sector and I think that is important to put on the record. It is very much now working under a definition that I think, interestingly for this Committee, brings together all the industrial codes that relate to what you previously might have thought of as the creative industries—film, TV and so on—but also, critically, the codes that relate to IT software development and so on. I think that represents the growing convergence that has been going on between what would historically be known as IT industries and what would historically be known as the creative industries.

The Chairman: Can you give us any figures? You said it is growing, but any figures either now or that you can send to us to nail that down would be helpful.

Dinah Caine: Absolutely. The growth statistics?

The Chairman: The growth and the numbers employed, yes.

Dinah Caine: Yes, absolutely. We have worked very closely with DCMS on all of that. We can give you detail on the GVA figures and growth.

The Chairman: That would be very helpful. If you can send us some of that, it will be very useful.

Dinah Caine: Yes, we will do. In terms of what is critical for skills, the interface with employment, to give you some idea of scale we now estimate and using the new definition of the creative industries, within those industries there is employment of around 1.5 million people. Critically, about 750,000 of those are working in areas where they are using mainly their creative skills to progress their employment, and the balance is basically would be called non-creative. Of course, in the middle of that there is a definite convergence, because at the end of the day everybody needs to have a certain level of digital skills to operate within the economy. Everybody needs creativity to operate within the economy, and then basically, drilling down from that, you will get different combinations.

On top of that—again, I think this is important for the work of this Committee—in other industries outwith what you would call the creative industries, there is also employment of creative occupations. That is what we would call the more broad creative economy. At the moment, we estimate that somewhere between 700,000 and 750,000 people work in, for example, banks but are doing a creative/fused role. I will come on to the fusion concept in a

minute. Those are the employment statistics. The growth ones we will share and send afterwards.

The Chairman: Thank you. In terms of local and national, what is needed?

Dinah Caine: In terms of local and national, clearly the balance of these industries tends to be heavily based in London and the south-east, but the interaction of technology in and of itself with these industries should be enabling the ability to increasingly decentralise, which I think is an important point.

Also, going back to the Creative Industries Council and a concept that I am not sure you have heard talked about in the evidence that you have been given yet, certainly we in the industry and the employers recognise that in order to fuel growth it is absolutely critical that we develop generations through talent pipelines from schools onwards that present a new fusion of skill sets, basically. By that we mean a fusion of creative skills, technical/scientific skills, technical excellence and entrepreneurship. You will have heard and I am sure will have received a lot of evidence about STEM. There is a big focus on STEM, quite rightly, but STEM in and of itself and addressing STEM in and of itself will not capture what we believe to be a golden triangle of skills needs that need to inform the development of the 21st century workforce, not just for the creative industries but for the broader economy. Obviously, depending on occupation, the actual proportioning of those three elements will be different, but we are not good in terms of our talent pipeline at enabling those two things. I would point you to Eric Schmidt's MacTaggart lecture a while back where he was talking about the importance of bringing arts and science together and looking back to the Victorian era where engineers were also artists. If we look forward—and I like the way Nesta puts it—we need to bring these disciplines together and at all levels of the education system, from the school curriculum design to university business links. The lamb of the arts and humanities must lie down with the lions of digital technology and computer science, which I think is just beautifully put. I had to get that on the record.

The Chairman: Yes, that is very good.

Q206 Baroness Garden of Frognal: You have talked about and I think you have pretty well covered the question of the interdependence between digital skills and creative skills. Perhaps you could say a little more about how and who creative industries recruit. Is it from universities, from schools, or are you using much more general pools of talent?

Dinah Caine: I will answer that and then perhaps I will also hand on to my colleague, Saint John, so that he can supplement some of the things I have been saying, because he is more into and an expert on more of the detail of this.

As a set of industries, the creative industries still massively recruit from higher education. We recruit roughly 60% on average from higher education, and of that a considerable percentage, over 20%, have postgraduate degrees. That is the average, but it will differ sector to sector. In some sectors within the creative industries, it goes up to nearly 80% or 90%. That issue, I think, relates to our industry's diversity, fair access and reaching out to the brightest and best in society. A lot of work has been done recently and is still being done both to encourage the uptake of apprenticeships in the industry and to really work on ensuring that graduate internships are paid internships. That is the first thing to say.

The second thing to say is that we need to do a lot more work on further education. That also links across solidly to our work on apprenticeships. Saint John, do you just want to amplify on that?

Saint John Walker: Yes. I think Dinah is perfectly correct. HE is the motor for the creative industries because of the high level of skills that are needed, especially for innovation within the creative industries. The digital industries particularly are very highly skilled. The MA/MSc is becoming more of a standard than the degree. There are issues of access, of course, in getting new talent pipelines. If you only have HE, you are only getting academically gifted people no matter how practical the course. We have been trying to rebalance that by creating a higher level of apprenticeships that are more open to people and to give them the same levels of high-level digital skills. We have created a couple of apprenticeship frameworks, as they were called, on interactive design and development, deliberately to try to get these people, who are not academically gifted but may be in their bedsit doing amazing work, access into the industries. HE is the main motor. However, the spread has to be wider to balance. We are also working with HE to create new kinds of work-based learning so that it is not just academia over there and apprenticeships over there, but rather HE coming together with apprenticeships to create new hybrid forms that work for businesses.

The Chairman: From what you said about master's being almost the norm, does that mean that HE is not thinking enough about what its first degrees should be either? Does the content of first degrees need to be looked at?

Saint John Walker: Again, it varies. There is a huge variation across the creative industries for the honey pots, if you like. We have had to do work with employers to create a form of quality assurance to ensure that our employers get the right kind of talent. We have something called the Creative Skillset Tick, which is a signposting of quality across our creative industries, so that anybody who works in the creative industries knows which HE institutions are the best to recruit from, but potential students are also a lot more aware of where they need to go if they are to get real world and contemporary skills. We have a system of quality assurance that we have initiated for a number of years now to work that way.

Dinah Caine: It very much started focusing on film and television, but it is now extending more broadly. Indeed, Glasgow Caledonian University has one of our Ticks for its MA in TV Fiction Writing course. I just thought I would mention that as a link to a member of the Committee.

The Chairman: Yes, a little plug there.

Dinah Caine: Interestingly, this approach is also going to be another critical way to start to try to encourage this whole integration and fusion. Of course, as we know, universities, schools and so forth still tend to put all these things that we are talking about into different departments; although not completely: there are really good examples of those that are not doing so but look into something more interdisciplinary such as Abertay and Ravensbourne. But usually you get the computer school, if you like, and then the business school.

The Chairman: Yes, it is all separate.

Lord Macdonald of Tradeston: One question on apprenticeships. I saw a figure—I think it was for the cultural industries—that suggested that out of 500,000 apprenticeships last year only 1,000 were in cultural industries.

Saint John Walker: The number is larger than that. I think it is 4,500.

Dinah Caine: It is 4,500 now (across the cultural and creative industries), but you are absolutely right. If you were to look back even two or three years ago, it would be about 1,000. We probably have one of the lowest numbers of apprenticeships of virtually any sector in the economy. That has to be and is a really big drive at the moment, but it goes back to Baroness Garden's question about the fact that we have tended historically to rely on recruitment from higher education. It is interesting, when I talk to colleagues in other industries, even in the IT industry where they have significant skill shortages and problems attracting people into some areas, that the creative industries have always tended to have oversupply. That can also have its own problems, and one of those problems is that there has been a tendency to seek to get graduates who potentially will work for very little to start off with. It does not necessarily mean that it is the best fit for the right skills, talents and people we need as a set of industries. I think people are beginning to recognise that.

Saint John Walker: Yes, and I think there is a really important point to make here. The apprenticeship vehicle if you like, the format of apprenticeships, is a bit difficult for small companies. Eighty-four per cent of our sectors have under 10 people with no big HR departments, so it is very hard to organise apprenticeships. They also work on a short-term project basis, so the risk of taking somebody on for 12 months minimum is problematic. We need new ways of collectivising our employers so that they can take advantage of apprenticeships.

Q207 Lord Holmes of Richmond: Good afternoon. I think this is as close as it is possible to get to a rhetorical question while still hoping that you may choose to give an answer. You have pretty much answered it anyway, so feel free to give a yes, although just making the tick sign equally is good. Should we be prioritising creativity and the arts in the curriculum alongside digital skills?

Dinah Caine: Absolutely, yes: a huge tick with bows on. A creative tick, actually, without question. Indeed, if we can draw the recommendation to the Creative Industries Council and the skills and education section to your attention, it is a complete priority. There are real concerns at the moment about the school curriculum and developments around schools. I have to say at this point that there are some examples of evidence, but I am not basing this on full evidence yet - we are trying to collect that but would point to the fact that it is disincentivising schools from engaging with and delivering creative subjects, both within school timetable and outwith the school timetable. That goes hand in hand with careers advice issues, which I am sure you have heard from other people who have given evidence. The combination of those two things means that the very thing that I started talking about at the beginning—the desire to see mainstreamed from playground to pension a balance between creativity, digital, technical and, indeed, we would say, the entrepreneurial piece—is unbalanced at the moment and we firmly believe it needs to be addressed more fully so that we can have the next generation of people able to drive the economy forward.

Saint John Walker: I think it is really important that creativity is not seen as siloed in the arts. It should be embedded throughout the curriculum. It is there in science. It is there in all

subjects. You need that curiosity and you need that inventiveness. It is what the UK is very good at. We are a creative nation.

Q208 Lord Janvrin: I will not ask the obvious question, which is: can inventiveness be taught? The question in my mind is: how can you involve industry, the corporate world, in the education of creativity in its broadest form?

Dinah Caine: Do you mean specifically schools?

Lord Janvrin: In schools, but I am really interested in lifelong learning. You talked of playground to pension.

Dinah Caine: Playground to pension.

Lord Janvrin: That is the world we are in.

Dinah Caine: Absolutely.

Lord Janvrin: How do we get industry involved in this?

Dinah Caine: In many ways that is significantly our role, particularly, as Saint John was saying, with very large numbers of SMEs that are fragmented and with industry based on high levels of freelancing. That is a particular challenge. Nevertheless, we have seen some excellent examples in recent years of the industry coming together to work in a variety of ways such as introducing levies and so on.

As far as schools and careers are concerned, this is our big priority at the moment for the Creative Industries Council and for our work. While there are individual pockets of activity going on where employers are partnering with certain schools and so on, we believe that in a connected way and in a collaborative way we can arrive at more than the sum of our parts. At the moment, we are auditing everything that is already taking place. Then we are going to look at how we connect all that potentially under one brand that sits under the Create UK one, where we start to look jointly across the creative industries.

The other thing is that although we talk about fusion, the creative industries also tend to work in silos, so we need to do more to create fluidity across the sectors. In a connected way, we then start to really harness, both digitally online and offline, a more co-ordinated address from our industries such that it is much easier for schools and colleges to know where to go to, to know where they can get speakers from, to know where they can access information. That is going to be taking place over the next 12 months.

In terms of further and higher education, we are working very hard behind the quality kitemark of the Tick that Saint John was talking about. Where courses get that Tick, they already—let us use Glasgow Caledonian as a good example—have good relationships with industry, but certainly there are people who may aspire to that tick who will then work to make sure that they have those relationships. That will happen on a local basis, going back to your question, Baroness Morgan, about a more national and international basis. The Tick then also drives co-ordinating support from industries to focus on those institutions and courses, equipment sponsorship and so on rather than—as you know, there is a significant amount of courses in this space—defusing the industry's support. Does that answer your question?

Lord Janvrin: Yes, it does. Thank you.

Q209 Lord Macdonald of Tradeston: Is there one key suggestion that you would recommend that this Committee should make to Government, a suggestion that Government could take up to improve UK competitiveness in respect to digital skills? How would you make that happen and have you any idea how much that would cost?

Dinah Caine: Well, I certainly think that the current approach, which I have to say was first engendered in the last days of the Labour Government with work by Lord Mandelson and John Denham, is key. That is to say that the skills piece needs to be seen as an integrated part of an industrial strategy. Absolutely key is the work on the industrial strategy that is going on and which now I think commands all-party support ahead of the next election. Skills are being seen as key to that, absolutely. I say that because in the past skills policy has tended to march to the beat of its own drum. If we have business over here, we have a whole machine doing skills over there. We are now starting to see the two being integrated, because at the end of the day in austerity Britain—I will come on to the amount in a minute—if we are going to crack the skills issue, it has to be industry employers who lead that agenda.

To follow that through, I would say that the current patterns of industry investment being used to co-invest with industries, where industry is collaborating to address some of the key hotspot issues that have been identified through the industrial strategy, that co-investment should follow the industries. It should be niche to meet the needs of the industries or the progression of digital creative skills. Within that, without repeating where we were, I therefore think that there is a particular address to schools, to FE and to HE that flows through to enable that. We have done quite a lot of assessment of the levels of co-investment that we believe need to flow into the industries, which will then, we believe, create a kind of supply side response, which will deliver to driving jobs and economic growth.

The Chairman: If you want to send us a short note on that that would be helpful.

Dinah Caine: Would that be helpful? Without going into the detail of how we have arrived at that?

The Chairman: Yes. That would be helpful. The other thing that I think would be helpful to the Committee is a short description that is really usable of what we mean by creativity. I think people use it in a very loose way and it would be very useful for us to get a clear definition.

Dinah Caine: Yes, a definition of what creativity is, and a definition of fusion, perhaps, would be useful for you.

The Chairman: Yes, it would be very helpful. Thank you very much. I am sorry it has been such a rush.

Dinah Caine: No, not at all.

The Chairman: We were very keen to make sure that we squeezed you in.

Dinah Caine: Thank you very much.

The Chairman: Anything else you want to send us we would be very pleased to receive.

Dinah Caine: Okay. Well, we consider ourselves squeezed and we are very, very grateful for that opportunity. Thank you very much.

The Chairman: Thank you very much.