CREATIVE INDUSTRIES COUNCIL

Monday 3rd July

Digital Culture Media and Sport, 100 Parliament Street, London

Attendees:

CIC Members:

Nicola Mendelsohn Facebook, Industry Co-Chair
Rt Hon Karen Bradley Secretary of State DCMS, Co-Chair
Rt Hon Greg Clark Secretary of State BEIS, Co-Chair
Rt Hon Matthew Hancock Minister of State for Digital
Hasan Bakhshi NESTA
Dinah Caine Creative Skillset
Ronan Harris Google
Caroline Rush British Fashion Council
John Kampfner Creative Industries Federation
Ian Livingstone Playdemic
Steven Lotinga Publishers Association
Caroline Norbury Creative England
Amanda Nevill British Film Institute
Denise Proctor NOISE Festival
John Newbigin Creative England
Alan Vallance RIBA
Jeremy Silver Digital Catapult
Jo Twist UKIE
Sarah Weir Design Council
Geoff Taylor BPI
Stephen Woodford Advertising Association
Sub Group / Working Group:

Andy Payne  AppyNation, Digital Infrastructure sub-group lead
Janet Hull  IPA, Communications and Marketing working group lead
Sue Eustace  Advertising Association, Regulation sub-group lead
Tim Davie  BBC Worldwide, International/SAG sub-group lead

Guests:

Sir Peter Bazalgette  Independent Reviewer
Jon Zeff  Consultant
Caroline Julian  Creative Industries Federation
Mike Bartley  DIT
Stephanie Cymber  Scottish Government
Alex Williams  BEIS
Shade Ajayi  Welsh Government
Ros Lynch  IPO
David McConnall  Northern Ireland Executive
Lee Newman  BEIS
Andrea Young  DCMS
Jack Karet  DCMS
Emily Rayner  DCMS
Liam Nwanze  DCMS
Gail Craig  Creative England

Apologies:

Rosy Greenlees (Crafts Council), Tony Hall (BBC), Andy Heath (UK Music), Darren Henley (ACE), John McVay (PACT), Riccardo Zacconi (King), Sue Bishop (DIT), Paul Kindred (Welsh Government).
Item 1 - Welcome and introductions
Nicola Mendelsohn (NM) welcomed returned Secretary of State for DCMS, Secretary of State for BEIS and Minister of State for Digital and all council members.

The Council were shown a video from the Createch Conference on the 13 June.

https://www.youtube.com/watch?v=UZ3ylr_XnrQ

Item 2 - Government Co-Chair Updates

**SoS DCMS**
Welcome and introductory address.

Spoke of her delight to be back leading the department and of government's ongoing commitment to the creative industries. DCMS has expanded recently and we will ensure that the creative industries continue to receive the focus they deserve. Welcomed the work of the Council towards the sector deal and spoke of the Council as a fantastic example of how government and industry can work closely together.

**SoS BEIS**
Welcome and thanks.

Spoke of the importance of industry working with government on the Industrial Strategy and the desire to formulate an early sector deal with well thought out innovative ideas being put forward to the strategy, building on current CI strengths. Signaled the importance of place and R&D being a focus of the IS.

Item 3 - Industrial Strategy White Paper

Alex Williams - Deputy Director for the Industrial Strategy,

- Importance of coherent submissions.
- Focus on the importance of place, productivity, competition, exports, skills, innovation, R&D - themes are universal from industry and government.
- Highlights that there will be no new money but a blank sheet for ideas.

Next steps:

- To go away and think about tangible impact'
- How deliverable are proposals?
- Sector's view on what deal looks like is a two-way street.
- Statement on what the deal will look like this autumn.

Item 4 - CIC (industry members) Sector Deal Proposal
Jon Zeff introduced the six strands of the sector deal proposal.

**Clusters - Strand lead John Newbigin**

- The definitions of clusters is a challenge.
- ‘Scaling-up, not starting up’. There is a focus on building potential for growth. With leadership at least at the local authority, local enterprise partnership, higher education institution (HEI) and industry level.
- There are multiple issues faced by small businesses, therefore leveraging finance is key.
- Flexibility of support from government. Programs such as mini Mayoral Development Corporations (business rates, skills, public procurement) are being considered.
- Variety of geographies need to be considered (types, size and location). There can be cultural quarters or whole cities that are considered to be a creative cluster, it is not simply defined as a geographical location, however in classification going forward all should be considered with the view of potential for growth. Ideally there will be deep dives on the dynamics of these clusters and having the likes of Arts Humanities and Research Council to observe, analyse and inform this will be of benefit.
- Creative Industries Toolkit - To be launched in Birmingham in September (by Andy Street & Nicola Mendelsohn), raising awareness of CIs and targeting mayoral authorities to support them in making the most of the creative industries in their areas.

**Exports - Strand lead Tim Davie**

- Industry is working with government is really successful and the international wing of CIC is well linked.
- There is currently however a fragmented strategy on exports. What is needed: True picture, transparency on exports, shared on both sides, mapping. This will be a 3 year programme.
- Match-funding is vital.
- It will be an iterative process, to be refined.
- There is a need to look at foreign direct investment across industry bodies.

**Skills & Talent - Strand lead Dinah Caine**

**Outreach**
- Increased diversity and numbers going for creative careers.
- Protecting and growing the talent pipeline.
- High-level career’s campaign (to change perception inside/outside curriculum).
- Amalgamate learning materials industry has already.
- Combined investment, one stop shops.
- Support from OFSTED.

**Accreditation**
• Build on expertise of the sector.
• HEI delivering skills linked to visas.

Workforce
• Discussion around apprenticeship levy, help other sectors use any unspent levy money on skills update.

Investment to Growth - Strand lead Caroline Norbury

• Key to growth is to improve the ecosystem by supporting businesses
• Innovating exporting and taking on capital is the key to growth.
• Equity finance is a good type of money for CI businesses, added value that helps to grow. Angel investment should also be involved.

R&D/Innovation - Strand lead Jeremy Silver

• Tricky to recognise where it happens, as poorly defined and few grants across the creative industries currently handed out for it.
• AR/VR/immersive big opportunity for creative industries. £120bn worldwide UK has potential for 10% of that market.
• Need to extend the definition of R&D to actually reap benefit of tax credits (Frascati Manual definition is causing limitations).

IP - Strand Lead Geoff Taylor

• Priority to make UK best place in the world for IP.
• Get it Right campaign to be extended for 3 years.
• Develop measures to prevent illegal content online, taking more responsibility.
• Address the value gap.
• Looking for government to clarify legal position.

5. SoS BEIS:

Thanks for the enormous amount of work.

Clusters. We should identify those to local authorities and LEPs.
• What does success look like in terms of examples that can be set for others. Encouraged all to think of some early applications to illustrate, although this may be conceptually familiar to most, we need to be specific on where this will be different going forward.

Trade
• Look to successful ‘Great’ campaign for lessons learnt, examples from this should make further suggestions more cohesive.
Skills
- Matthew Taylor has been involved in all this. Show what can be done in this area.

Investment.
- Teeming with start-ups. Talking about joining things up and removing silos, so shouldn't this be an SME finance initiative, not a CI one.

R&D
- Seems paradoxical, sector had a small share of money compared to others despite the innovation hub here in the UK. We need to identify the opportunities here.

IP
- Lots of BEIS people who can help with this. I understand that a well formed regime is necessary.

Karen Bradley (response):

Thanks to all;

Clusters
- Who will decide where clusters go and how will they be designated? We also need to think about the barriers. LEPs can be good, however how do we make sure that an area gets an adequate opportunity to ensure they become a successful cluster.

Exports
- We will need to gauge their appetite and check they’re ready as many are apprehensive or scared.

R&D
- Make the link between R&D/innovation from the sector that benefits wider economy.

IP
- How high is the value and where is the value located? A wider discussion is needed on the digital charter and needs more analysis.

Concluded noting CIC achievement in providing untied voice in disparate sector.

Action for government - To set up challenge session with the strand leads to explore the ideas further in greater deal. Priorities is to develop workable government policies

6. Sir Peter Bazalgette:

Outlined several key points of his recent independent review of the creative industries;

- Need to ensure the UK creative industries remain world leading;
Bottom up approach is needed to ensure right engagement with communities;
- Formal Creative Cluster status should be driven by localities;
- There is a need to build on expertise and develop an alliance between local partnerships and government;
- Creative industries specific careers advice with entrepreneurial leaders forming a national course;
- Expansion of The Sorrell Foundation Saturday Clubs with inspirational leaders to spur growth;
- Finance - Given the high proportion of small businesses within the creative industries, smaller more tailored financial commitments can make a major difference;
- Localities know their area really well, there are potential opportunities for government to help convene and provide appropriate tax regimes;
- Looking for Government to get behind a formal cluster approach with bespoke funding;

Createch Update
The Council were given a high level update of the success of the recent createch event.

Measure & Map Clusters
Nesta confirmed that the Creative Nation mapping study will be available by end of the year. It will draw on Nesta’s methodology for the Tech Nation report. Will support investment decisions for Cls at the local level. A longitudinal report and data set. Addressing the long-term evidence gaps.

Meeting closed.