

CREATIVE INDUSTRIES COUNCIL
11:00 - 12:30, Thursday 14 March 2019
The Tate Britain, Millbank, Westminster, London SW1P 4RG

Attendees:

Council Members

Tim Davie	BBC Studios, Industry co-Chair
Hasan Bakhshi	NESTA
Alan Bishop	Creative Industries Federation
Dinah Caine	Goldsmiths, University of London
Rosy Greenlees	Crafts Council
Kanya King	MOBO
Stephen Lotinga	Publishers Association
John McVay	PACT
Amanda Nevill	BFI
Caroline Norbury	Creative England
Caroline Rush	British Fashion Council
Dr Jeremy Silver	Digital Catapult
Dr Jo Twist	UKIE
Sarah Weir	Design Council
Stephen Woodford	Advertising Association

Guests

Clare Corbett (for Adam Vallance)	RIBA
Naomi Gummer (for Ronan Harris)	Google
Caroline Julian	Creative Industries Federation
Ian Moss (for Geoff Taylor)	BPI
Mags Patten (for Darren Henley)	Arts Council England
Carys Taylor	BBC
Jon Zeff	Independent Consultant to the CIC

Officials

Robert Specterman-Green	Department for Digital, Culture, Media and Sport
Simon Blake	Department for Digital, Culture, Media and Sport
Jack Karet	Department for Digital, Culture, Media and Sport
Georgina Berry	Department for Digital, Culture, Media and Sport
Helen Warren	Department for Digital, Culture, Media and Sport
Harriet White	Department for Digital, Culture, Media and Sport
Ros Lynch	Intellectual Property Office
Richard Parry	Department for International Trade
Seymour Pearson	Department for Education
Paul Kindred	Welsh Government
Rachel Nicholson	Scottish Government

Apologies

The Rt Hon Greg Clark MP	Secretary of State, BEIS
The Rt Hon Jeremy Wright QC MP	Secretary of State, DCMS
Margot James MP	Minister for Digital and Creative Industries DCMS
Debbie Bestwick	Team17
Lee Brooks	Wakefield Production Park
Michael Dugher	UK Music
Janet Hull	IPA
Alex Mahon	Channel 4
Professor Andrew Thompson	AHRC

Actions

- That there be a Home Office representative at the next meeting for discussions on future immigration policy.
- Suggestions invited as to who should chair the Clusters Working Group.
- To revisit the Spending Review at the next CIC meeting.
- Jon Zeff to look into creating a central repository for all Working Group minutes.
- Amending the Terms of Reference in line with Paul Kindred's comments.
- Working Groups to flesh out proposals for action on strategic priorities, including specific aims, targets and KPIs.
- Hasan Bakhshi to prepare a paper on how the CIC and PEC can work together and to present at the next meeting.

Item 1 - Welcome from Co-chairs

1. Tim Davie (**TD**) opened the meeting by welcoming members, including the new members following the refresh. He formally thanked those who had previously served on the CIC. TD also welcomed Ian Rimington, who is now working with Jon Zeff (**JZ**) in the central team on part-time secondment from ACE
2. The Parliamentary vote taking place on 14 March meant that Ministers were unable to attend the meeting. Instead, Robert Specterman Green (**RSG**), Director of Media and Creative Industries DCMS, was in attendance. In his opening remarks. RSG:
 - a. Referenced the fluid political situation regarding Brexit and highlighted the work that DCMS has been doing in preparing for a range of potential scenarios. RSG asked that any CIC members who had specific concerns contact DCMS directly.
 - b. Mentioned the Spending Review which was mentioned in the Chancellor's Spring Statement on 13 March 2019, and which will conclude alongside the budget (subject to there being a EU Exit Deal). The Spending Review will set budgets for three years. The government will run a Zero-Based review of capital spending and will have renewed focus on the outcomes achieved for the money invested. It is likely to be a tough round for non-protected departments and areas.
 - c. Highlighted that the CIC has succeeded in getting the sector on the map and it is now time to work to ensure that the work is articulated and understood. He said that it would be a good

time for the CIC to highlight how the creative industries can support the wider Industrial Strategy and provide a basis for the creative industries to feed into the soft power strategy.

3. There were specific points made from the floor, including:
 - a. Highlighting the specific link between universities, student visas (both for study and to enable students to stay in the UK after completing their studies) and the talent pipeline. The importance of the European Investment Bank in underwriting investment in the sector, which has been a major priority for some government departments, was highlighted.
 - b. Raising the issue of substitute funding to replace EU funding, such as Horizon 2020 and potential government proposals for future funding.
 - c. A query as to at what point the CIC needed to show “proof of concept” in order to obtain the best return from HMT. RSG suggested that Summer 2019 would be the key period for the Spending Review on current timetable, which may be ahead of early results of the sector deal. However, it was noted that the Spending Review is not the only point at which government spending is allocated and that there are areas in which the government has already committed to spending money. The following points were made:
 - i. There are new priorities emerging that are not captured in the Sector Deal, where specific investment will be helpful.
 - ii. That the evidence base would be key to demonstrating the commercial, as well as the cultural benefits, of the sector, cultural institutions and education. He encouraged the sector to be active in putting its points forward.
 - iii. The Shared Prosperity Fund should be used as a major tool that the government will have post Brexit, but pointed out that there is currently confusion as to how the funds can be and will be used. RSG suggested that this would need to be developed in tandem with industry.
 - iv. Marginal resources may be better allocated in targeting pre-existing funding available to the creative industries than only seeking new money - for example UKRI research funding and the Grand Challenges.
 - v. There was a query as to what was meant by the creative industries supporting the Industrial Strategy. RSG commented that it was about showing the broader impact of the creative industries and their economic contribution to other sectors. The need for economic evidence and the issue of design skills feeding into the wider economy and the need for creativity across all sectors were both raised.
 - vi. It was suggested that the DCMS should include GVA estimates for the creative economy in its published economic estimates. This statistic had been produced on an experimental basis in 2016.
4. TD made the point that the Council needs to engage with HMT at an early stage to ensure that industry is providing the information that HMT will need to inform its decisions. He stated that it will be for the chairs of the Working Groups to prepare that evidence. It was suggested that there be a central template put together. **TD asked that we revisit the Spending Review at the next CIC meeting, in the light of further work on strategic priorities.**

5. Given that future immigration policy will be key, and the immigration White Paper raises issues of fundamental importance of the whole CI sector, it was **proposed that there be a Home Office representative at the next CIC meeting for a discussion on this issue.**

Item 2 - CIC Role and Terms of Reference

6. JZ stated that the updates to the Terms of Reference were to give a more explicit sense of what the CIC is there to achieve.
7. It was proposed to maintain the current Working Group structure as it dovetails well with the future priorities of the Council. However the membership of the WGs should be formalised, so there is a central record of participants, while retaining flexibility for Chairs to involve people as needed. **JZ to take forward with WG chairs.** TD pointed out that it is in the Working Groups where lots of work is carried out and that their Chairs need to be full members of the Council. There are currently chairs in place and John Newbiggin will be shortly standing down as Chair of the [Clusters] Working Group. **TD invited suggestions as to who should chair his group moving forwards.** In addition, the Steering Group is functioning well.
8. Key points raised included:
 - a. There was discussion of where immigration sits within the CIC's working groups structure, with concern on the skills side that it raised some issues going beyond the skills and education working group's remit and expertise, but also recognition that setting up too many groups would be inefficient, and stifle effectiveness of delivery, so a degree of pragmatism would be needed. It was agreed to set up a task-and-finish group, reporting to Ed & Skills WG, to consider immigration issues in preparation for the next CIC meeting.
 - b. TD directed people to speak to the relevant chair if they were interested in getting involved with different groups.
 - c. RGS highlighted that, in order to ensure the Council functioned optimally, members were expected to attend in person and the use of deputies was only to be in exceptional circumstances and with prior agreement. TD agreed and noted that under the new Terms of Reference, consistent use of alternates would result in review of membership.
 - d. It was suggested that there be a central repository for all Working Group minutes. **JZ agreed to look into this.**
 - e. It was pointed out that the wording of the new Terms of Reference risked slightly diluting the requirements to work with the devolved administrations. It was agreed that this was not the intention. **DCMS/JZ to amend.**
9. The next CIC meeting is scheduled to take place outside London, but TD pointed out the logistical challenges for ministers. **Secretariat to take forward.**

Item 3 - Strategic Priorities

10. JZ introduced the note which set out emerging Working Group priorities for further CIC work, building on the sector deal. The next stage would be to focus these down further, and to flesh out specific proposals for action. Some of these may play into the Spending Review and/or other fiscal events.

11. It was suggested that the outcomes for each focus area needed to be more specific, with clearer KPIs. TD agreed and suggested that it was important for the Working Group chairs to put in specific aims, targets and KPIs as they develop their proposals further. **JZ to follow up with Working Group chairs.**

12. In relation to the specific areas of focus:
 - a. EDUCATION
 - i. The Working Group pointed out that there needs to be focus on Higher Education as well as schools in future work. We are still awaiting the Post 18 Education Review. It was stated that there have been three contributions from think tanks since January which have questioned the value of creative arts degrees, which is a concerning narrative, especially when it comes to investment. The Creative Careers Programme has just been launched, but there have been unhelpful suggestions from elsewhere that careers in creative industries are not worth taking up.
 - ii. As the programme develops, it would be beneficial to see how the PEC can work with the CIC. **It was suggested that HB could present at the next meeting and he agreed to prepare a paper on how the CIC and PEC can work together.**
 - iii. The Department of Education suggested that it would be beneficial to include figures about the growth in apprenticeships. This would also go towards the Diversity focus.

 - b. INVESTMENT
 - i. The Access to Finance working group are working jointly with the IP group to scope a piece of work about IP investment. There had been a very promising meeting with the Working Group last week, who are all very committed. It was suggested that there should be more of a focus on regions within the group; lots of the partners (eg Scale Up Institute and British Business Bank) have a strong regional focus. The Sector Deal is still taking up time. TD agreed that the initiatives would be very helpful in developing clear metrics that could feed into the evidence base.

 - c. DIVERSITY
 - i. It was pointed out that social mobility was key to diversity. There is a plan to hold a conference in the summer to look at where the sector is, how it got there and where it should go. There will be key KPI points across the sectors to identify changes to be made.
 - ii. RGS stressed that the Secretary of State DCMS sees diversity as a key theme and that DCMS is keen to see real leadership from the CIC. TD agreed and pointed out that are areas where diversity issues are currently bubbling up and making the industry seem behind the curve. He suggested that the sector should be prepared to feel really challenged by some commitments, and that actions should be cross sectoral.
 - iii. In response to questions on the Apprenticeship Levy, the Department of Education said that any lobbying in relation to apprenticeships would be most effective where solutions were identified, rather than just failings. The Levy has been in place for two years and there will be review on consultation. TD encouraged CIC members to feed in their comments, through the Working Group.

d. INNOVATION

- i. It was suggested that the creative sector is sometimes not the most creative in how it innovates. There was a Sector Deal commitment for an R&D Working Group (a DCMS group into which the CIC will feed). Implementation had been delayed but discussions were in train with DCMS to try and remove blockages.
- ii. In the context of support for the wider Industrial Strategy, there was a lot that the sector does in terms of tech application (eg immersive technology). The CIC should be involved in areas where there is already government intervention such as 5G or Artificial Intelligence. It was pointed out that the level of funding into creative industry companies is very low. It may be a good goal to try to increase the numbers of applications into Innovate UK as a specific goal through an accelerator.

e. INTERNATIONAL

- i. CIC members did not go into this section, but suggested that it be contained as a specific agenda item next time, noting the critical role of the Creative Industries Trade and Industry Board and its chair Annette King.

Item 4 - Sector Deal Update

13. TD stated that the Council needs to look at the resources that it has to drive forward delivery. As well as delivering the programme, industry needs to show that it has met its commitments in cash and in kind. It was suggested that the CIC needs to look at the definition of what constitutes funding for these purposes.
14. Helen Warren provided an update on the Creative Careers Programme which launched on 13 March with work being carried out in tandem with the Creative Industries Federation. She also updated on the Access to Finance work currently being undertaken, explaining that the grants have now been agreed and have gone out the door. There is now a question as how to best unlock British Business Bank money and to document the funding that is in place. She stated that people have appreciated government intervention to unlock industry action and the importance of real tangible outcomes and collaboration. She suggested that the cross governmental and industry working is a strong business case.
15. Key comments were:
 - a. It was agreed that there had been strong progress and that successful implementation of the Deal remained the CIC's top priority, Most of the key initiatives are now firmly in delivery mode and JZ reiterated that there would need to be an increasing focus on impact assessment and evaluation.
 - b. There was still a need to maintain collaboration across the sectors.
 - c. Kanya King has been assisting entrepreneurs from disadvantaged backgrounds in setting up businesses. She will link in with Caroline Norbury.
 - d. The CIF highlighted that the Creative Kickstart programme was about to get up and running, with CIF as lead delivery partner. Caroline Julian explained that they will work with others to map existing sectoral initiatives which the programme could link into. She advised members that she would shortly be sending out a survey for

this purpose. She also asked for CIC support in relation to sponsorship and at meetings.

- e. TD reiterated that it was important for the CIC to support Creative Kickstart. He explained that the CIC would be providing some seed funding from the central pot to get Creative Kickstart off the ground (including the two initial events) but asked members to explore contacts at accountancy firms or other potential sponsors for further support. TD asked for active support and involvement and pointed out that these events will not work if they are not supported by industry.
 - f. The importance of mapping existing initiatives was noted, so that Creative Kickstart would work with and support them, and avoid duplication.
 - g. It was suggested that the programmes should be designed around KPIs, which should be built into the programmes from the outset. The PEC are working on Scale Up to help identify what the indicators and evidence should be. The PEC requested a meeting with DCMS to discuss a single BEIS / DCMS monitoring and evaluation framework for the Sector Deal in general.
16. Ros Lynch gave an update as to the progress of the IP Roundtables. She said that real progress has been made particularly bearing in mind that for trickier areas such as advertising relationships have had to be developed. Naomi Gummer highlighted that good progress had been made with Google. It was agreed that progress so far was welcome, while noting the importance of the Government's commitment to consider further action if agreements were not reached. TD commented that Geoff Taylor would be able to provide an update at the next meeting. Tangible action remains the benchmark.

Item 5 - Sector Deal Funding Mapping

17. Harriet White (**HW**) thanked NESTA and UKRI for their assistance in preparing this paper. She commented that:
- a. the mapping showed how funding was distributed on a regional basis and that the Sector Deal's aim of developing more world-class creative clusters outside London is being supported through high levels of funding going to places outside London;
 - b. London and the South East have received a smaller proportion of funding in relation to their GVA / output when compared with other parts of the UK. There are high growth regions (such as the North East) which have not received as much money;
 - c. Funding has reached over half of the 47 areas identified as creative clusters by Nesta;
 - d. There are potential areas for growth. So far 9 areas have received funding from more than one programme and, when we overlay Creative Scale Up and CDF investment, there is a corridor of funding running through 15 adjacent areas, representing over 40% of total creative GVA;
 - e. The analysis shows that funding is going to areas which are established or growing creative clusters and signals progress in relation to geographic equality. The CIC now needs to look at where the next focus for investment will be, as well as taking account of where other programmes (governmental and otherwise) are targeted. There have been real successes in some areas, but we need to evaluate the success of the programmes.

18. TD stated that the mapping document is a living document and that it will be for the CIC to liaise with the relevant working group and HW. TD pointed out that a document that overlaid government and all other funding streams (eg ACE funding) would be useful, but would be done in the future.

Item 6 - AOB

19. It was confirmed that the dates for the next two meetings are 27 June (outside London) and 24 October.

Georgina Berry
CIC Secretariat