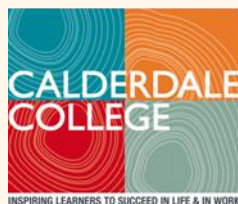


The Skills Enhancement Fund

Skills Research within Leeds City Region

Sector summary for: Creative and Digital Industries

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What does the sector look like?

The creative and digital industries (CDI) sector contains a broad mix of businesses, including design, media, ICT and cultural. It is characterised by small and micro businesses, and hence most firms have a spread of technical and business management skills requirements.

Depending on definitions used, there are around 6,000 businesses in the sector in Leeds City Region, collectively employing between 32,000 and 42,000 people. The largest single sub-sector is software and electronic publishing which employs around 10,000 people.

Future prospects

The sector enjoyed quite rapid growth prior to the recession and is forecast to grow in the future, by around 6% over the next five years in the Leeds City Region.

Forty three percent of the businesses in the sector that participated in the telephone survey for the LEP Skills Research project think that local economic conditions will improve in the next 3-5 years whilst 25% expect no change. Most expect employment to be steady over this period, however, more businesses expect to recruit than plan to shed staff. The occupations in which businesses expect to see most growth are sales and customer service occupations and skilled trades occupations.

Which skills and qualifications are the most important?

Businesses rate transferable and employability skills highly, and many say they recruit on attitude and stand out talent more than or alongside specific qualifications. Key skills in this respect include IT and software skills, problem solving, customer handling, team working and collaboration. Drive and the ability to self-learn are crucial in a fast moving field. The combination of good technical skills and wider competencies that help firms to create and innovate, build relationships and sell to customers is invaluable for many.

The sector sees GCSEs, A-levels and degrees as the most important qualifications, notably more so than qualifications such as NVQs and BTECs. It puts emphasis on higher level skills and rates degree qualifications as very important.

Skills issues

It is hard to generalise because firms are so diverse; some are inundated with applicants and have no shortages, others struggle to get the people they need. Shortages cited through the qualitative research include:

- People with a blend of a specialist expertise and broader knowledge, employability skills and attitudes (e.g. people with sales skills who understood enough about what they were selling, computer and technical people with interpersonal and self-learning skills);
- Computer programmers and software engineers;
- Multi-platform skills relating to production management and digital technologies;
- Broadcast engineers.

Graduates

Over 50% of firms employ graduates now, and a third of these expect to recruit more within the next three years. A quarter of those without graduates now expect to recruit graduates within the next three years.

Some parts of the sector feel there is an oversupply of graduates, but that many do not meet their needs, sometimes because their business skills and work readiness are not up to the mark, and sometimes because only a minority have talent that really shines through.

There is a quite common perception that too many graduates enter the industry with a lack of practical skills and unrealistic expectations (on salary, the level they will operate at, etc.). Employers want graduates to be better prepared for a period of getting to know the business, proving their worth in it, and working their way up.

Apprenticeships and the integration of work and learning

Much of the industry is regarded as hard to get into, especially media and graphic design. Connection to businesses and understanding of what is required in the workplace, coupled with outstanding talent is key to getting a job. Employers value new entrants who are able to apply their skills quickly, and those with previous work experience through placements or intensive short courses.

Apprenticeships are used relatively infrequently now (by 12% of employers) but 22% expect to employ apprentices within three years. The most common areas for recruiting apprentices are in arts, media and publishing (the main specific fields include creative and digital media, design and technical theatre) and ICT (including IT application specialists, software, web and telecoms).

Increasing interest in apprenticeships reflects a widely shared desire to see a stronger combination of work and learning in parallel. Some companies think that tuition fees will provide a further push towards (higher level) apprenticeships as an alternative to degrees.

Training provision

A lower than average proportion of firms expect some or all of their staff to receive training over the next three years – 55%. Yet the proportion expecting training expenditure to increase (53%) was higher than average.

Many businesses tend towards in-house training or learning on the job, reflecting the rapid pace of change in the sector. Many businesses feel that if they are at the forefront of their fields in the way they need to be, they will be ahead of what training/learning providers can offer.

Uptake of external training is more common in the general business and management skills such as sales, presentation and management, usually through short courses.

Many in the sector feel that education could do more to promote the skills they need (technical and transferable skills such as problem solving, collaboration and ability to learn using own initiative). Others think FE and especially HE could better champion and make links with the sector locally.

Opportunities for providers

- An above average proportion of employers in the sector plan to increase their expenditure on training in the short to medium term. Some of this may be with very specialist, niche providers (potentially outside of the City Region), but there is still a role for the FE, work based learning and HE sectors within the City Region to promote both their offer and the commercial benefits of training to CDI employers. Regarding the commercial benefits aspect, this research recommends that a standardised e-information pack be developed by the LEPs and shared with the providers for dissemination to employers. This need not be lengthy; in fact, in keeping with the tone of providers' feedback throughout this research, the more succinct it is, the better. Nor need it incur
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any significant public expense. It is more of a case of drawing together information that already exists into a single place and giving providers a tool with which to strengthen their employer engagement.

- The sector is forecast to become more active in terms of apprenticeships over the next three years, particularly in arts, media, publishing and ICT. Some employers currently have very limited knowledge of the apprenticeship system and will benefit from engagement activity by providers to help them specify their requirements more clearly.
- As in many other sectors, the soft skills of new entrants are extremely important yet are often seen to be lacking. This is very challenging for providers to address, but an emphasis on the personal and social development aspects of CDI related courses (where the courses permit) should remain a priority.