



Skillset response to the DCMS Secretary of State's open letter (16/05/2011), inviting contributions to the Communications Review for the Digital Age.

Skillset is the Sector Skills Council for the Creative Media. This comprises TV, film, radio, interactive media, animation, computer games, facilities, photo imaging, publishing, advertising and fashion and textiles. We are an industry-led independent, UK-wide organisation, and actively involve trade unions, professional bodies and other stakeholders in the industry. Skillset's vision is to help the UK Creative Industries to be world-beating.

Our interest in being involved in the Communications review:

As an industry-led body, we are only too aware that globalisation, digitisation, commercialisation and intellectual property rights are driving change in these industries. We are aware that the Communications review will be examining these drivers for change in order to create a framework that can support growth in the sector for the next 10 years and beyond.

Skillset considers the impact that changes to the industry have on skills and talent development but also assesses the future impact, needs and requirements that these changes will bring. The creative media industries, supported by Skillset, have progressed in recognising the importance of skills in developing and expanding their businesses as well as their competitiveness. But, in our view, more still needs to be achieved.

We would like to emphasise that a balanced ecosystem for the digital and creative industries is the one that within its arrangements provides opportunities for the development of knowledge, skills and talent. Action on and investment in skills and talent development leads to competitive advantage by providing better content and services. Moreover, within a converged environment, investment (or not) in skills at one end of the service chain could affect (positively or negatively) performance and product delivery in other parts of the chain.

Content creation now encompasses many forms of delivery through different platforms of distribution. Therefore, people working within the digital and creative industries are already required to converge in both their practice and their professional/business environment (e.g. creating across the print, broadcast and internet, or producing for film, broadcast and web distribution). Employers operating under a changing regulatory environment need to be able to support the people and the companies as they adapt to new business environment. For example, changes to Intellectual Property rights management - as suggested by Ian Hargreaves review - will impact on the way people in the industries operate, create, distribute and monetise their content. These changes in practice will need to be supported by updating their knowledge and skills. In addition the development of the local media agenda has a critical link to develop the skills and talent base.

The 2011 Skillset Sector Skills Assessment recognised as one of the key areas of skills development the fusion of creative, business & technological skills needed to develop UK-originated content and exploit digital rights and new technologies. We would ask therefore that the Department considers the issues of skills and talent development and how best to encourage industry to appropriately support developing them within the context of the Communications Review and any subsequent proposed legislative (or not) development. We strongly believe that addressing skills issues deriving from the development of the industry should be discussed within the context of progressing towards the new



Communications Act.

We also suggest that the Communications Review links with other strategic work currently in progress, such as the Film Policy Review and the deliberations of the Creative Industries Council, as there are correlations to consider.

Below are some Skillset points to note in relation to relevant Questions, as articulated in the Secretary of State's open letter:

Q3. Is regulatory convergence across different platforms desirable and, if so, what are the potential issues to implementation?

We do not have a view on its desirability, however, we would like to point out that if industry is in favour of regulatory convergence, it will also mean a new set of knowledge and skills for people already employed, as they will need to consider changes to the way they organise and deliver content, as well as updating their business skills and ensuring that the new talent which enters the industry is of the best.

Q4. What barriers can be removed to facilitate greater exports and inward investment and make the UK more globally competitive in digital communications?

Skillset Sector Skills Assessment (<http://www.skillset.org/research/index/#ssa>) of the UK Creative Media industries have identified some of the following **skills gaps** in relation to exports and inward investment potential:

- Multi-skilling: an understanding of different technology platforms and their impact on content development and digital work flow, and new approaches to working in cross-functional creative / technical teams within and across companies.
- Multi-platform skills: an understanding of how to create, market and distribute content across a range of channels, and the ability to understand and exploit technological advances.
- Diagonal thinking: the ability to tell great stories, then know how to monetise those stories to the best effect utilising media that cross platforms and territories well.
- Management, leadership, business and entrepreneurial skills
- IP and monetisation of multi-platform content
- Sales and marketing

Q10. Are there disproportionate regulatory barriers to investment in content? If so, what are they and how can increased investment in UK content production be encouraged?

We interpret investment in content as also the investment in people with the capabilities and skills to develop original content and we would like to bring attention to such a barrier, particularly for the freelance workforce. Where employers are able to offer training to freelancers, they are currently deterred from doing so by tax classifications and schedule D arrangements that create barriers to employers offering training to non employees at no cost. Employers should be encouraged, not disincentivised to do so and to help overtrain



and support their supply chain. We would therefore argue that this regulatory barrier should be removed.

Q11. Should the core focus of public service broadcasting be on original UK content?

Public Service Broadcasting (PSB) needs to serve both the media consumer and the citizen. A healthy media environment supported by PSB needs to include high quality, innovative UK-originated content and plurality. A 'core focus on original UK content' is a function that relies heavily on the ability of the creative media people working in the UK industry to have the talent, skills and capacity to deliver such content. In order for Public Service Broadcasters to delivery on their commitments to their audience, it is important that future PSB models support and invest in the industry's human capital - which is central to their success - to ensure a sustainable and continuous supply of creative talent and high quality skills.

We do believe that a responsibility to address and invest in skills and talent development both in company, in the supply chain and collaborating industry-wide is and should remain a key component of PSB status and any other form of public support. We believe that PSB responsibilities include a clear commitment and obligation towards the development of the human resources and technical expertise that will deliver within the industry.

Q13. Where has self- and co-regulation worked successfully and what can be learnt from specific approaches? Where specific approaches haven't worked, how can the framework of content regulation be made sufficiently coherent and not create barriers to growth, but at the same time protect citizens and enable consumer confidence?

The (current) Communications 2003 Act has made provision for a system of co-regulation for training: Sections 27 on Training and equality of opportunity and section 337 on the Promotion of equal opportunities and training.

Ofcom's duties and functions derived from these sections which placed increased obligations to promote training above and beyond previous legislation. The Act broadened Ofcom's oversight responsibility across the industry with regard to training, by not just including terrestrial television broadcasters as before, but adding radio and cable/satellite companies with more than twenty employees.

The Communications 2003 Act also gave Ofcom a general duty to promote self-regulation. Section 3(4)(c) stipulated in particular that in performing its general duties Ofcom must as appropriate have regard to the desirability of promoting and facilitating the development and use of effective forms of self-regulation. A DCMS/ Communications Act working group recommended co-regulation between Ofcom and Skillset. However, Ofcom had developed guidelines in relation to how to manage co-regulation which required the establishment of a third party body. The Broadcast Training and Skills Regulator (BTSR) was set up in 2005, and later known as BETR (Broadcast Equality and Training Regulator) – adding Equality to its co-regulation remit.

Although the system had some positive outcomes, there were also many issues: confusion for employers in relation to Skillset's and BETR's role being one; and the powers in the Act giving Ofcom minimal power to intervene being two. It is telling that the Government plans to remove these duties were met with little opposition and OFCOM is in the process of an



orderly dissolution of BETR.

Skillset believes that the arrangements did not work well and we will be happy to feedback on this in more detail if required.

Our Board has now set up a group to discuss and consult on whether there is an industry-wide approach and agreement on how best to proceed in terms of our thinking on this and other issues that relate to the development of a new Communications Act.

We trust that the issues of skills and talent development will be an area that the Government chooses to reflect and deliberate on further and we would welcome inputting as we shape our thoughts and responses in more detail.
