

Note of the Creative Industries Council Meeting 13 July 2011

BIS, 1 Victoria Street, London

Terms of Reference for the Council

Vince Cable introduced the meeting and made apologies for Jeremy Hunt who unfortunately had to attend the Opposition day debate in the House of Commons on the proposed NewsCorp/BSkyB merger.

Ed Vaizey introduced the terms of reference and all members agreed to formally adopt these.

Access to Finance Research: the outcomes of the research and next steps through the A2F group

Vince Cable referred to the research commissioned by BIS and DCMS into the creative industries ability to access finance which was published in May. He invited comments from the group.

Members of the group voiced concerns that the research had limitations, notably because the way that the standard industrial codes (SIC codes) are structured makes it impossible to separate out the commercial parts of the music industry from the rest of the visual and performing Arts. Other members noted that there were also issues with codes for design and video games.

Members also highlighted that there had been insufficient industry consultation in producing the research and that earlier research- for example the report 'Banking on a hit' produced by BOP for DCMS had more fully reflected industry views and experiences.

Vince Cable noted these concerns and Ed Vaizey noted that he has written to the Office of National Statistics on this issue of music SIC codes.

The group suggested that the initial way forward proposed by BIS/DCMS for the access to finance working group was not the best way to approach this subject.

The group agreed that instead access to finance should be addressed via two (rather than three) strands, with debt and equity finance being addressed together plus investment readiness. The idea, set out in the discussion paper, of closely involving the finance sector, was endorsed. Ian Livingstone (Eidos) and Martin Smith (Ingenious) agreed to formulate the objectives and membership of the group. However, it was also agreed that access to finance should connect closely to work within a Growth group. Matt Brittin (Google) was asked to consider how that might work in practice together with Ian Livingstone and Martin Smith together with input from others such as NESTA and the Design Council.

There was clear recognition that what the group did needed to be complementary to other work (such as in the exports field), and should look closely at other initiatives such as the BIS-led Innovation Strategy which includes within it IP as a growth tool, for example.

If useful Ed Vaizey offered to chair these groups.

ACTION: Martin Smith and Ian Livingstone to work up new proposals for the Access to Finance working group and report back to the Council with input from Matt Brittin, NESTA and Design Council. John Newbigin agreed to ensure that this connects with/incorporates Creative England work on investment readiness.

Skills Issues

NB Skillset had sent their apologies in advance of the meeting.

The group agreed that the skills paper showed that thinking here was well advanced, and should carry on as suggested, with a first meeting later this month chaired by Dinah Caine of Skillset (who would also be invited to join the Council).

British Fashion Council mentioned their work on skills and requested to be included in the skills group's work.

Members commented that under skills, higher education should also be considered. A key issue here is how prospective students can distinguish between the relative quality of different degree courses and their career prospects at the end of a course of study in a crowded market. Ed highlighted the Skillset 'tick' system of accreditation which was referenced in the HE white paper as an example of best practice in industry accreditation of courses. It was agreed that Skillset would be invited to speak further about this scheme at the next meeting.

Some members outlined difficulties that they have had in engaging with Apprenticeships - including being given misinformation and difficulty in distinguishing between multiple approaches by a number of providers. The culture of unpaid internships within the creative industries has also made paid Apprenticeships a hard sell to small businesses.

Members highlighted the need for computer science to be a key part of school age education and to be included within the English Baccalaureate in order to ensure that there is a solid basis for the future needs of the workforce in high technology sectors including games and Vfx. It was agreed that relevant Ministers from DfE should be invited to join the work of the group.

ACTION: Skillset to take on board these comments in the work of the skills group.

AOB

Ed Vaizey proposed that the next meeting of Council should focus on one particular issue, and that the co-chairs both invite the relevant Cabinet and responsible Minister to attend to hear the proposals that have emerged. As this will focus on skills we would aim to have both Michael Gove and John Hayes present. This was agreed as a useful way to ensure that the Council reaches those parts of Government that it can be difficult for the creative industries to engage with.

ACTION: Ed Vaizey to write to both Secretaries of State and to members with next steps.