Creative Industries in Edinburgh and South East Scotland – Skills research

Background and approach

LMAE research programme

IRES programme/Labour Market Analysis and Evaluation (LMAE)

- £50k annually to add to our regional evidence and insight into skills and labour market issues
- Ekos appointed late 2022 to look at CI

Objectives

- Identify the sector-specific and cross-cutting skills issues facing the creative industries (CI) sector in Edinburgh and SE Scotland (ESES)
  - Nature and extent of skills demand across the CI and the factors driving that demand (including eg Brexit, COVID-19, technology etc)
  - Skills supply in the region and key gaps and/ or issues
  - Identification of challenges and opportunities and suggested approaches to adapting the skills system

Approach

- Desk Review of available data including OE forecasts and Burning Glass vacancies data
- Consultation with industry/ public sector stakeholders, employers and education providers

What does Creative Industries sector look like in the region?

Sector profile

- **Diverse**
- **Significant** 25,000 people were employed in just under 4,300 businesses
- In 2019, the sector in ESES generated almost **£1.8bn in GVA**, 39% of the total GVA of the CI in Scotland, a clear indication of the importance of the CI to the regional economy
- **Highly concentrated** in Edinburgh
- Sector dominated by **microbusinesses**
- **Areas of strength** Digital Industries and Visual Arts (which include architecture, advertising and design as well as visual arts and crafts). Well known for arts and culture (Edinburgh's Festivals in particular)
- **Growth in screen production** as a result of new studio facilities in Leith and in Bathgate.
- **Pandemic** – fewer businesses but employment has held up. Growth forecast but less than pre-pandemic

Stakeholder consultation feedback

Cross cutting drivers

- **Digital technology** continues to transform the sector and accelerated through the pandemic driving demand for digital knowledge and skills across the CI;
- **Brexit** has created pressures relating to international trade and in recruitment;
- **Current economic pressures** are evident across the economy and are particularly severe in parts of the CI (as noted above), resulting in lower priority attached to future skills needs (and likely lower overall investment in skills and training);
- **Structure of the sector** and the predominance of very small businesses makes investment in skills development difficult. The freelance labour force also creates specific issues;
- **Working conditions** can also be a barrier. Parts of the sector are characterised by precarious labour markets, low pay and unsocial working hours. Coupled with informal recruitment pathways, this has contributed to a lack of diversity in the workforce.

Stakeholder feedback

Sector specific drivers

- Growth in **screen production** activity is creating demand for skills in a wide range of areas in production from hair and make-up to set construction;
- **Performing arts and live events sector** lost people to the screen sector through the pandemic, and there are some concerns about an overall reduction in the available labour force;
- Sole traders in areas **like visual arts and crafts** need entrepreneurial and business skills to sell their work and digital skills to do so via digital platforms;
- Ongoing change in the **digital tech sector**, and skills need to keep pace with technological and market changes;
- **Parts of the CI** may identify a need for skills in areas like data, but may struggle to afford the costs of hiring people with these skills

Stakeholder feedback

Cross cutting skills needs

- **Digital skills** including awareness and understanding of digital platforms for marketing and selling, digital production skills and data;
- **Business skills**, particularly business strategy, financial management and planning, marketing and people management;
- **Leadership/management skills** were consistently identified as important to the long term sustainability of the sector.
- **Production skills** and production management are always in demand and are changing as a result of digital technology.
- **Fundraising skills** are a particular issue for those parts of the sector that rely on third party funding – including arts and culture and heritage; and
- **Net zero:** employers (and workers) are supportive of the need to reduce the carbon impacts across the sector but lack the knowledge and skills to assess the issues and identify solutions.

Stakeholder feedback

Sub-sector skills needs

- **visual arts/crafts:** business skills for freelancers/ sole traders;
- **performing arts:** technical staff, lighting and sound, set building, facilities management, production;
- **publishing:** business skills, digital skills (including software and digital promotion);
- **music:** business skills for freelance working, selling rights/music;
- **screen:** most areas of the crew base, production management, production accounting, virtual production, AR/ VR;
- **digital:** programming skills (Java, C++), Python, SQL, data skills, augmented reality (AR) and virtual reality (VR); and
- **creative services:** client management, data and digital skills.

Skills supply analysis

FE/HE/Apprenticeships

Analysis of SFC data

- In 2020/21, there were just less than 13,000 students in further education in CI-related courses in ESES. Growth has been particularly strong in IT-related courses and graduates appear to be mainly achieving positive destinations.
- The picture in higher education is similar. In 2021/22, over 12,700 students were enrolled in CI-related courses in ESES, and numbers have grown by 23% between 2019/20 and 2021/22.
- Region well served by FE and HE
- ***“This seems more than adequate given the scale of the sector, but the connection between education and employment can be less direct in the CI than in other areas of the economy. Past research found that less than half of those working in the CI had studied in a relevant subject. “***

Other training provision

- Strong growth in FAs and GA’s
- Apprenticeships challenging for the sector
- Training is available through a range of trade associations and industry bodies

Conclusions

The challenges are…

- The tendency of the sector to prize experience over qualifications;
- Predominance of microbusinesses impacting on training investment and uptake and limiting the potential for initiatives such as work placements;
- Freelancers often struggle to take time out of paid work to engage in training, and delivery is also difficult in a dispersed workforce;
- Employers frequently voice concerns that graduates lack the practical skills for work, and education can struggle (understandably) to keep pace with technological change;
- Link between subject of study and employment is not always direct and the CI draws on graduates for a wide range of disciplines, making planning for growth challenging;
- Issues with low pay, job insecurity and difficult working conditions, limiting the potential appeal of the sector and making recruitment and retention challenging; and
- New skills needs are constantly emerging driven by technology (e.g. digital; virtual production; augmented and virtual reality) or by wider challenges (e.g. climate change; economic conditions; Brexit).

Conclusions

Some potential responses are…

- **Refining FE and HE Provision** to provide more in the way of practical, work-based learning opportunities (e.g. through industry placements) and a stronger component of business and entrepreneurship training.
- **Providing Digital/ Data Skills training** in the form of short (even non-accredited) courses to those already in work.
- **Improving Careers Advice and Pathways** to provide better understanding of the range of job roles and opportunities across the creative sector. This should begin at school, and carry through into employability programmes, careers services and FE and HE as well as digital platforms such as My World of Work. Within the IRES Programme, there may be scope to connect participants in employability programmes to some of these opportunities.
- **Diversity and Fair Work:** employers need greater understanding of the business benefits of Fair Work and of a more diverse workforce. Partners in the region should seek to promote both to CI employers to demonstrate the business benefits of diversity and Fair Work.
- **Green Skills** to improve awareness and understanding of climate change issues at management levels within the CI and provide the workforce with the skills to implement change.
- **New Models for Work Based Learning** to improve uptake of mechanisms such as Apprenticeships and to innovate new models of work-based learning more widely across the CI.
- **Freelancer Bursaries** to support freelancers seeking to upgrade their skills.