



Northern Ireland
Assembly

Committee for Culture, Arts and Leisure

OFFICIAL REPORT (Hansard)

Inquiry into Maximising the Potential of the
Creative Industries in Northern Ireland:
Invest NI Briefing

5 July 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
Mr Dominic Bradley
Mrs Brenda Hale
Mr David Hilditch
Mr Oliver McMullan
Mr Cathal Ó hOisín
Mr Robin Swann

Witnesses:

Mr Martin Adair	Invest NI
Mr Brian Dolaghan	Invest NI
Ms Tracey Walsh	Invest NI

The Chairperson: I welcome our witnesses; thank you very much for coming to the Culture, Arts and Leisure Committee. Brian, would you like to introduce your colleagues? The meeting will follow the usual manner of an opening statement followed by questions.

Mr Brian Dolaghan (Invest NI): Thank you very much for inviting us this morning. Martin Adair is a manager in our creative industry sector; I am director of the creative industry sector in Invest NI; and Tracey handles a lot of the film, TV and digital areas in the organisation. Hopefully, there is some knowledge here. Some of us are relatively new to post, so the depth of knowledge might be somewhat scant, but we will try to answer whatever we can for you.

The Chairperson: At the end, if there is anything that, on reflection, needs to be followed up, would you be happy for the Committee Clerk to contact you for further information?

Mr Dolaghan: That is grand.

As I said, thank you very much for inviting us to address the Committee. We are delighted to meet and engage with you on behalf of Invest Northern Ireland. We commend you for undertaking this extensive inquiry into the creative industries in Northern Ireland.

My colleagues and I recognise the importance of the creative industries and the wider cultural and arts sector in the development and growth of our economy. It is imperative, now more than ever, that we play our part to collaboratively support the achievement of a stronger economy, through fostering continued co-operation between not only the arts and business, but the public, academic and private sectors. Although the creative industry is a significant sector in its own right, it also has a positive and

uplifting impact on the way that other business sectors innovate and compete. A culturally rich and creative society entices the best people and best businesses to come to Northern Ireland, encouraging further investment and adding to the social fabric of our society. Companies such as New York Stock Exchange, HBO, Chicago Mercantile Exchange, CVS Caremark, Allstate, Universal Studios, Liberty and Citibank are good examples of exactly that. Since the beginning of our last corporate plan in 2008, Invest NI has invested over £67 million and leveraged £325 million into the Northern Ireland economy through 120 different company investments.

Our success continues apace in the screen industries, both television and film, with leading production company HBO shooting both series 1 and 2 of its highly successful fantasy drama, 'Game of Thrones', here. I am pleased to say that, following pre-production, HBO will, this month, commence shooting series 3 of that in Belfast's Titanic Quarter studios and other locations throughout Northern Ireland. I must mention at this point the three wonderful local movies that premiered at this year's Belfast Film Festival: 'Good Vibrations'; 'Whole Lotta Sole'; and 'Jump'. Invest Northern Ireland, through the hard work of Northern Ireland Screen, provided some £9.2 million of financial assistance to HBO to secure the pilot episode and the first three series of 'Game of Thrones'. That assistance will generate in excess of £63 million in direct spend in the Northern Ireland economy and, very importantly, the opportunity for Northern Ireland companies to gain new skills and demonstrate their undoubted capabilities as one of the largest film studio entities on the globe. In addition to the economic impact, that type of activity greatly enhances the profile of Northern Ireland on the world stage. Indeed, no other production has ever exposed so many images of Northern Ireland to a global audience, including the north coast, Castleward, the Mourne mountains and Ballintoy, to name but a few. In short, positive and beautiful images of Northern Ireland are now being seen on television screens across the globe; a fact that was probably unimaginable some 15 years ago.

In our written submission to the Committee, the Department of Enterprise, Trade and Investment (DETI) and Invest NI acknowledge that the creative industries in Northern Ireland represent a dynamic and convergent sector for the economy that has real potential for growth. The economic strategy for Northern Ireland has identified innovation, research and development and creativity as key economic drivers for future growth. In recognition of that fact, DETI is leading the development of an innovation, R&D and creative strategy and action plan, due for publication before the end of the year. In driving a shift to higher added value and productivity levels, it is evident that the sector can make an important contribution to the Programme for Government aim of rebuilding and rebalancing the Northern Ireland economy. However, the creative industry sector faces a number of growth challenges, as highlighted in our submission. Invest NI believes that those can be addressed through a co-ordinated and collaborative approach to sharing knowledge, insight and ideas from industry, academia and government.

We look forward to the Committee's final report on the sector to further inform and assist in the shaping of the way forward.

The Chairperson: Thank you very much. I will just pick up on your last point. You highlighted that there are challenges and recognised the need for a co-ordinated and collaborative approach. You may be aware that the Committee visited Scotland. In Scotland, a single arm's-length body now has responsibility for the creative industry sector, giving it, I suppose, very much a single focus. What are your views on having that in Northern Ireland?

Mr Dolaghan: There are a couple of points to make on that. Over the past 20 or 30 years, in business and government, I have gone through quite a number of what we call mergers. The truth is that there is no such thing as a merger; there is, generally, a takeover. My concern with having a single organisation is that you are bringing two very diverse operations together; one that is focused quite strongly on economic return and the other on culture and arts. Both are equally important. My concern is that, if you bring those together, one would dominate, and we would lose some of what we already have. That is not to say that what we have is perfect by any means. I feel that better co-ordination of what happens between the existing entities is needed. I can give an example of what we in Invest NI have just done, which is to create a single point of contact for businesses, large and small, throughout the economy. That does not give the answers to everything, but it has the knowledge to signpost people. So, it is a single point, through NI Business, for any business to contact. Whether that is through the Department of Agriculture and Rural Development (DARD), the Department for Employment and Learning (DEL) or the various programmes available in our organisation, businesses are signposted to what is most appropriate for them.

I think it would make sense to explore that model rather than trying to bring very different cultural organisations together. I have seen, from the short time that I have been in this area, that the

dynamics in the various arts and parts of this arena are very different. For example, as we mentioned, bringing in a large production company such as HBO is the right strategy for the film and TV arena. It allows the skills to develop and service that, and we see that more and more: as the post-production on the first, second and third series has increased, so more and more have come into Northern Ireland. That is not necessarily the case, for example, in the digital sector, where it is not a big anchor tenant driving that forward. It is about taking those people into foreign markets and displaying their wares, essentially. In the music industry, it is different again. They are all quite different and I think that to try and push them into one arena is not necessarily the right thing to do. I fear that some of them would be lost in that. That is a personal opinion, but those are my initial thoughts.

The Chairperson: That is welcome. The focus for Invest NI is very much on bigger enterprises. I think we have become quite aware of the fact that, within the creative industries, there are individuals who have a creative idea and need to develop and move that forward, so their needs are different to some of the other industries in Northern Ireland. What can Invest NI do to assist those creators?

Mr Dolaghan: First, I might take exception to the fact that we are focused on larger industry.

The Chairperson: Perhaps that is a perception.

Mr Dolaghan: Absolutely, and we certainly deal with quite a lot of large industry, but about 80% of our offers go to microbusinesses. The vast bulk of our volume of activity is with small-scale micro- and local businesses. The ones that get a lot of publicity because they are the bigger quantum offers are often the big international organisations, but a lot of our work is at the smaller end with smaller businesses.

We have recognised particularly some of the challenges around some of the R&D programmes and how they can help at the smaller end, and whether the model fits well. Some of the challenges are around the fact that we can only be a proportionate funder in any of those instances, and for a lot of the early-stage businesses, there is no capital there at all. There is nothing for them to use.

As a result of that, we are in the process of putting in place a continuum of venture-capital type funding, for the very smallest business right through to the largest. That has its pros and cons, but there are a number of other programmes that we have put in place. There is one called Propel, and another is the creative industries innovation fund, which the Department of Culture, Arts and Leisure (DCAL) has funded for the past couple of years. That has been essential to us at the small end, and we have worked very closely with DCAL in being able to drive some of the smaller business start-ups through some of that funding. I welcome those and I think they are very beneficial.

We have not got it right yet. There is still some stuff that I think we have to do in recognising what funding is needed by people who take the step out of their own business and start something else. The issue of most of our funding being proportionate is one that I think we have to address, but I would also say that another element is the mindset of Northern Ireland business. A little bit has to change in that, around the idea of having to own 100% of the cake, which has been a historical issue for them. We are trying, through the Halo network and other approaches such as mentoring, to educate businesspeople about the benefits of having a bigger cake with your slice being slightly smaller, and the fact that it still adds up to a better position for them. We recognise that there are still some challenges in that and we are trying to address those with colleagues in DCAL and elsewhere.

Mr McMullan: These days, there does not seem to be a lot done to promote smaller, traditional, craft-based businesses. In a way, they could be overlooked because of the digital side of things. What sort of help is there for those, especially in rural areas? Is that done through councils and Invest NI, or is there a better collaboration there? There does not seem to be a big collaboration between Invest NI and councils, for example, or maybe there is but I do not know about it. Do you see where I am coming from?

Mr Dolaghan: Absolutely. The Local Economic Development (LED) moneys through Europe have been introduced for the past four or five years and we have been working very closely with councils to bring forward propositions, particularly from businesses at the smaller end of the scale and in craft areas, to develop the local, subregional economies. Frankly, success has been varied in those proposals coming forward, and an element of that is because, again, matched funding is required from councils. Because of their slowness in coming through last year, we decided that we would half-fund the council element to allow some of those proposals to happen. So, now the funding is 50% European, 25% us and 25% council. That has engendered quite a lot of proposals coming through

from councils in various areas in business skills and business support. We are open to receiving those, and our local office representatives work with council representatives to develop and bring forward some of those proposals. Martin will comment on some of the things on which we have dealt directly with Craft Northern Ireland.

Mr Martin Adair (Invest NI): Over the past number of years, we have put in excess of £200,000 into Craft Northern Ireland to help stimulate craft industries in Northern Ireland. It is talking to us about further support packages. That has slowed somewhat because the chief executive of Craft NI is stepping down and is to be replaced. However, we are working closely with Craft NI in that area.

Mr McMullan: Will you give me a list of the council that you have worked with?

Mr Dolaghan: Absolutely.

Mr McMullan: I would like to see the uptake in my council area of that 75% funding offer to smaller industries.

Mr Dolaghan: It is very much up to councils to bring forward proposals for funding within that regime, but that is certainly available under those banners.

Mr McMullan: I recently looked through two councils' corporate plans taking them into 2015, by which time there will be RPA. Nowhere in those corporate plans does it mention anything that you are talking about. I asked you that question because I will now go back to them and ask them why that is not incorporated. There is no word of it at all, not even in their economic strategy. That is worrying. If you are doing it, are the public hearing about it? I do not think so.

Finally, you mentioned filming going on in Ballintoy: why are the glens left out of that?

Mr Dolaghan: My apologies; I could not cover every eventuality. That was remiss of me. *[Laughter.]* That was a deliberate mistake.

Mr McMullan: Let me tell you that the third series is taking place in the glens this year. That has not been announced yet.

Mr Ó hOisín: It has now. *[Laughter.]*

Mr McMullan: I would like to see the glens in there, because they are losing out on quite a lot of tourism credit that other areas are getting for it. We even had to tell the Minister lately that the glens were losing out.

Mr Dolaghan: OK. A point well made; absolutely.

Mr McMullan: Will you come back to me on that thing about the councils?

Mr Dolaghan: Certainly, yes; I will give you some information on the LED.

Mr McMullan: Good man; thanks very much.

Mr Ó hOisín: Thanks, folks, for your presentation. As we near the end of the inquiry into the creative industries, we are looking back to see what the submissions were in total. Remarkably or otherwise, and regardless of what sector they are from — crafts, film, music, games, training or whatever — there has been a similar refrain across the board. It has not, necessarily, been that positive. We found there to be a lack of capacity, a lack of critical mass and insufficient scale. It is all very well to talk about subregional economies and what have you, but we have to look at the bigger picture of fields of co-operation, networking and the sharing of talents and skills. Particularly because of the insufficient scale here, we were comparing apples with oranges with the Scottish example, but we need to look at how it fits best in respect of North/South, all-island and east-west economic co-operation in the creative industries. Have you looked at that level of co-operation and co-ordination?

Mr Dolaghan: You are absolutely right to say that scale is an issue across a lot of these industries. It is an inherent problem across the UK and Irish film and TV industry in general, in that it is slightly

different, I understand, from the European model, where they fund an awful lot on their own balance sheets. Historically, the UK film industry has funded, on a stand-alone basis, each movie as it comes along and then dispersed the profits from that. So, it does not have the same ability to grow its balance sheets and fund activity beyond that. There are lots of challenges from a scale point of view. We have tried to recognise some of the limitations of the scale issues: for example, the recent investment in the new studios at the Titanic Quarter has been part of building additional infrastructure to allow some of the attraction to happen that then allows smaller businesses to feed into that. It goes back to the point of creating a catalyst — a draw factor — and then trying to develop businesses around that.

A lot of the digital content businesses and the mobile applications are coming from individuals from universities, and that is a challenge for us. There are, maybe, four or five big global players in this arena and the rest are individuals who come out and try to develop something. I go back to the creative industries innovation fund, which has been very useful in trying to help some of those individuals, albeit at a maximum grant of £10,000 for each individual. We will look at that to see whether it is an appropriate level or whether it should be more. Collaboration is the way forward; collaboration across common platforms and across common interests. We have to provide the facilities and the capability to allow that collaboration to happen. The nature of what they do is very diverse, and creating scale in that is a challenge for us. We are trying to put some of the infrastructure in place, and we are looking at some hubs that might work as regards clustering to bring some of those talents and skills together around a centre, and that is happening at the same time.

The industry, by its very nature, will always be small, as is most of Northern Ireland's industry. We have to try to co-ordinate better our support to that industry to allow those who have something to bring it to the fore.

Mr Ó hOisín: Do you agree that it would be impossible to provide sufficient scale to some sectors?

Mr Dolaghan: Yes. That reads across all Northern Ireland industry. We recognise that, in some areas, scale, just by the nature of who we are and what we are, will not be attained across every industry sector. That is why we have to look at putting our resources into those areas where we feel that scale can, potentially, be attained and, hence, maximise the economic benefit for Northern Ireland.

Mr Ó hOisín: And do that hand in hand with consideration of the equalisation of things on the island or across these islands, particularly on tax credits.

Mr Dolaghan: Yes, both North and South and east and west, and tax credits is a good example of that. The Minister and others put quite a bit of pressure on last year around getting the tax credits in place, which would be similar to the North/South position. It would put us on a level playing field there. The indications are that that has been met very positively. As you know, there is a draft out at the moment that will, hopefully, come in next April, which will be of great help to the film industry as we sit at the moment. There is a lot of connectivity between us and our Scottish counterparts and those in the South with regard to what is happening there. A lot of interaction goes on between us all.

Mr D Bradley: DCAL said that there is no need for an overarching creative industry strategy document, yet stakeholders who have given evidence here have said that there is quite a tough, unco-ordinated effort in the creative industries with a duplication of services and a lack of clarity around mechanisms and funding arrangements. Do you think that those issues can be addressed in policy funding and other delivery mechanisms?

Mr Dolaghan: As I have outlined, there is a very diverse set of business types within the wider banner of the creative industries. A single strategy might be detrimental, in trying to force certain approaches to industry sectors that do not necessarily lend themselves to that. What has been discussed, which is to try to create a common framework, is probably the correct way forward at the umbrella level. However, as I said earlier, we could definitely look at improving the single point of contact — if I can call it that — for the business or the individual out there so that there is one place that signposts people to the appropriate support, advice or guidance, and that can be on a single number or a single portal that would be very accessible to the public. That is the issue, and we found that that was a key issue in the wider business arena outside of creative industries; there were lots of people doing lots of things across local councils and across government, but there was very little co-ordination of that. By trying to bring in this front end service, NI Business, and the enquiry handling service behind that, we have tried to create a common signposting methodology for people so that they can contact and be

directed to the appropriate place for their business at that point in time. The proof of that pudding will be in the eating over the next couple of years, but I think that a similar model would be beneficial for the creative industries and the general creative sector.

Mr D Bradley: Before you came in we heard a briefing on an Assembly research paper on creative industries in Scotland and the Clerk gave us a report on the recent visit by the Committee to Scotland. Their experience seems to run counter to what you are saying. They have become more centralised and smaller, and they seem to be more successful as a result of that. Why is it that you seem to be of a different mindset?

Mr Dolaghan: I am not 100% au fait with the Scottish model, but my understanding is that it actually came out of a shrinking of Departments in the Scottish Government in the first instance. A lot of the different Departments that handle various parts of that were brought together. My understanding is that the SNP did a lot of that when it took over in Government there, and that drove some of the things closer together to start with, as opposed to their being across a number of Departments, as it is here at the moment.

Mr D Bradley: They joined together the Arts Council and Scottish Screen, and shed quite a few jobs in doing that, so they had a leaner body as a result. It seems to have been successful, whereas you said in response to the Chair that mergers are usually takeovers and you are wary of that.

Mr Dolaghan: That is my experience. There are two points. First, efficiencies can, absolutely, be driven out. In fact, we have gone through that exercise ourselves as an organisation to try to restructure and drive out duplication of effort, and we have done that. There is no doubt that you can achieve that. My greater concern in this instance, though, is that I think that the economic agenda and the cultural and arts agenda are very different. If you force the two of those together, my worry is that one would get lost in the other. I do not know which one would come out on top, but I think you might lose what you currently have by driving the two together for the purposes of, in theory, an economic efficiency agenda. That agenda should be looked at, but it should not be the be all and end all. You could kill the wider thing, which is our whole social and cultural piece, on the back of a purely economic agenda or a purely arts and cultural agenda.

The Chairperson: Clearly, the success depends on how it is handled and whether or not it is a hostile takeover.

Mr Dolaghan: Well, I will go back to the point. Even the friendliest mergers that I have come across — I will take our own organisation, which was, essentially, three or four organisations that came together 10 years ago. The truth is that, culturally, it took about three years for us to get into the same place, and one culture dominated; I am not going to say which it was. PriceWaterhouse and Coopers were two separate organisations that I was involved in previously. When they came together, it was deemed to be a merger, but it was a takeover and one culture predominated. I think that is what happens; that is the outworking of those sorts of situations. There are instances in which those work, if businesses are doing a very similar thing and have a very similar outlook, but, for example, as you can imagine in this case, a lot of the stuff that we try to do is driven by economic return and economic benefit, and there are a lot of pounds in there. That is the key driver. My worry is that, if that approach was adopted in all of the arts and leisure arena, you would get the wrong decisions. You would lose something that is very important in our social fabric, our tradition, our tourism message and all of those things, because it is not directly linked to pounds, shillings and pence, to use the old terminology. That is my concern about trying to bring all of that together under one roof.

Mr D Bradley: Many of the people who come in here from the arts insist on telling us the value of the arts in monetary terms. They can tell us how many bed nights the arts bring to Belfast, what that is worth, and how much we get back for every pound we invest in the arts. They are very much aware of pounds, shillings and pence and the effect that the money invested in the arts has on the economy as a whole and how it contributes to the economy. You seem to have a view that, because of your own personal experience in a number of organisations in which you worked, all future amalgamations are going to be the same.

Mr Dolaghan: No; what I was talking about was organisations that come together that have different cultural positions to start with. In my view, you would be bringing those types of organisations together in this instance. Even when you compare the screen film industry, which is very much a commercially focused industry, with an arts production or an arts festival, you can see that they are

very different animals. I stand to be corrected here; it is just an opinion. My concern is that they are quite diverse.

Mr D Bradley: There is obviously an arts element and a money-making element to film-making. There is also a money-making element to the traditional arts, theatre and so on, because although they are subsidised, they have to generate a certain amount of income themselves. So, they do not have not mutually exclusive agendas, as you seem to think.

Mr Dolaghan: I am not saying that they are mutually exclusive, but when you have limited resources, you end up putting those limited resources into the areas that will probably give you the maximum short-term return on your moneys. From an arts perspective, that is not necessarily what is in our best interests in the medium or longer term and, as a result, it is not necessarily best for society, the tourism message and all those things that are part of the long-term — not short-term — game that we are playing. That is the point I am trying to make. It could and might work, but I think there is some risk with it.

Mr D Bradley: There is also some risk with leaving things less co-ordinated than they can be.

Mr Dolaghan: That is right, and that is why I think we have to do more on that. I think that bringing together a single point of contact for individuals would be a big step forward. In the past two or three years, there has been better co-operation between DCAL and DETI; that has increased massively. We have lots of examples of where we have done various export-driven activity together, such as South by Southwest in the States, and various things where we have jointly funded and taken people out there. That has been very successful and worked well. I think that it is about building on those types of things. Again, that is a personal opinion.

The Chairperson: Obviously, it is still very early days for Creative Scotland, but my view is that the success that it drives could be because of the corporate branding and the singular focus. Again, it is very early days to see whether you are right or they are right.

Mr Swann: Thanks for your presentation. Is there sufficient engagement at the minute with the National Endowment for Science, Technology and the Arts (NESTA)? I know that previous collaborations have failed. Is that part of the change in culture that you were talking about?

Mr Adair: No, there is not sufficient engagement at the moment in Northern Ireland. That is something that Minister Foster has raised on a number of occasions. She asked DETI to get directly involved with NESTA and the Technology Strategy Board (TSB) to the extent where their chief executives have planned visits to Northern Ireland in the next couple of months. NESTA ran a hyper-local programme recently, and I am quite pleased to say that a local company from Craigavon was one of the winning companies. We hope to engage further with it in the near future.

Mr Swann: What is causing the blockage? Is it cultural or philosophical?

Mr Adair: NESTA used to have a local representative in Northern Ireland. I cannot be absolutely sure of the dates, but I think that situation changed in 2006, when it retracted to having the Scottish representative look after Northern Ireland. Until then, there was a level of engagement, but since 2006 or 2007, that level of engagement has dropped off significantly. I can say that the Technology Strategy Board and NESTA are keen to foster links with Northern Ireland, and through DETI, we hope to do that over the next couple of months.

Mr Swann: So, is that a failure on this side? Is it a DETI failure?

Mr Adair: I would not be able to answer that question.

Mr Dolaghan: It could always be improved.

Mr Swann: Are the Northern Ireland Executive not being proactive in furthering that engagement?

Mr Adair: It could be from both sides; it is probably a lack of proactivity on our part and a lack of proactivity and engagement on the part of TSB and NESTA to date. However, as I said, both sides have recognised that they need to work more closely together, and that is in hand.

Mr Swann: Earlier on we spoke about perceptions of Invest NI, and it was very much a case of, "You built the bigger companies rather than the small local ones". I have also picked up from some of the presentations that you support the manufacturing of products a lot more than you support intellectual property. Some of the producers of intellectual property find it very hard to get their products to the global market. Have you had any experience of that? Do you want to react to that perception?

Mr Dolaghan: That is correct historically in that, as you know, a large part of Northern Ireland's industry had a manufacturing base. If you look at where we have gone in the last 10 years, even in respect of the new inward investment that we have brought in, you will see that the bulk of that inward investment has been around the knowledge economy. Virtually none of it has been from a manufacturing base. Some of the recent budgetary moves will help in the handling of intellectual property-type ideas. We are very aware of the need to try to develop the knowledge economy.

The points that I made earlier are relevant as we look at funding products to try to assist people to develop products. The product is them, and it is about putting their knowledge into a product form. It is about finding out how to sustain them as individuals to do that. Some 95% of the funding that we have available is proportionate funding, so it can only be 20% or 30%, based on European regulations, and that is a challenge for us. I go back to the point about the use of Halo networks, which are made up of wealthy individuals who are willing to invest in other types of activities. Engaging with those sorts of things, as well as venture capital and the loan funds that are being set up, is a way that we have to encourage those businesses.

It is not that we do not want to give businesses grant assistance. We would like to give them grant assistance, and we do give them grant assistance. However, that can only fund something proportionately, which is a problem. I fully recognise that it is a problem, especially at the very small scale. We have to work more closely to educate people about what is available and to try to bring it through at an earlier stage, for example, during the latter part of studies. We could give a lot of individuals the business skills that they need at that stage and maybe allow some of the development to happen in that environment before they step out.

I agree that there are challenges there, but we are putting things in place to try to address that and to find ways to look at what we cannot address at the moment.

Mr Swann: One of the frustrations we have had throughout this inquiry is that we talk about what we are going to do, what we can do and what we are going to look into. The sense that we got from Scotland was that they are saying, "We are not going to just think about this; we are actually going to go and do it." That was the big change. At all levels here, we seem to talk about it without actually taking that proactive step. We saw from the Scottish Minister that it is very much about just going and doing it.

Mr Dolaghan: In fairness, this year, we have put in place the various funds that I mentioned earlier. We have put in place the Propel programme to try to assist early start-ups. We have now put in place the new studios in the Titanic Quarter. It is not just about what we are going to do. We are doing things proactively. However, we recognise that it is a dynamic sector that is changing all the time. There will always be needs that we have to try to address, and we will look to do that. The day that we say we are there is the day that we are dead. We will always be looking to do something else and to identify the next thing that the industry needs and then try to put it in place. I accept the criticism up to a point, but I am also slightly defensive on that point. I think that things have been done, so it is slightly unfair to say that nothing has been done in that regard.

Mr Swann: It may be beneficial that you are here then. I am giving you the perception that has been out there in the creative industries throughout the inquiry and all the evidence sessions. There may be a job for you to do to get out there and say —

Mr Dolaghan: Absolutely. I think that education is a key part of this. People are not necessarily aware of everything that is there. If they are aware of things, it is in a very disorganised fashion, frankly, and often by word of mouth. We need to educate more. There also has to be an element of self-help. People are very literate in communication media and how they do things and can access things. An awful lot of information is available through that type of media now. People can pick that up and utilise it. A lot of investment has been put into making that the case.

It is a two-way street. We have to step up in these areas more than we have done in the past. We are doing things and putting things in place. We recognise that we have a journey ahead. At the same time, others have to look to use some of the things that are already there to find out more about what is available, which is actually quite substantial.

Mr Hilditch: Let me just return to the relationship between local government and the councils, which you spoke about earlier, Brian. We were disappointed that only four of the 26 councils responded to the inquiry. That caused the Committee some concern that maybe all was not well out there. You said that there were some good examples of work within local councils. The Scottish Minister said that, in Scotland, they moved very quickly to bring local government along with them. Do you think that we need to push the boat that wee bit further to try to bring local government up to standard, generally?

Mr Dolaghan: Absolutely we do. I do not think that it is for lack of trying, frankly.

Mr Hilditch: Some of the councils subcontract the local development work out to agencies as well. That is another layer, another tier. Our goal should be to bring it all together.

Mr Dolaghan: Multiple layers are a part of the problem. We run competition upon competition to appoint different people to those layers. That will impact on the timeline for some of this stuff, as Mr Swann was saying. It seems that nothing is happening, but, actually, the competitions are happening.

The engagement that you have had with the councils is symptomatic of what we have found in the engagement around some of the funding that is available and some of the approaches that we would like to take. There are some great examples of things that are happening: Digital Derry, for example, and some of the different things that the council up there is doing. It is very proactive in some of those areas. Other councils are, frankly, not proactive in some of the areas. So, as regards that engagement, we can only set out our stall and say what is there. Others have to come and partake of that, as it were. That does not always happen. That definitely does not happen in a level way across all the councils.

So, again, our local office network will engage regularly with all local councils, but some are much more proactive than others, and understandably so. It depends on the nature of the areas that they are in. Some councils are much more economically focused than others in that regard, while others are more tourism-focused or have more of a social focus. There is a wide diversity of interaction with local government, but we would like that to be better, and we have been working hard on it for quite some time. As I said to Mr McMullan, I am going to provide some information on the LED moneys and how those can be accessed, which I think would be helpful. It is something that has already been through and around the councils.

Mrs Hale: Good morning. Can you tell me whether a service provider has been identified for the strategy that you hope to develop for the music industry? Can you expand on what you would like the strategy to aspire to?

Mr Dolaghan: I will ask the music man. He is the everything man at the minute.

Mr Adair: To answer your first question, no, a service provider has not been identified yet. We have not got to that stage.

Mr Dolaghan: It is perhaps worthwhile saying why we have not got to that stage. A decision was taken that we needed to collaborate more with the industry players to find out exactly what their needs were rather than try to do something about what we thought the needs were. So, rather than go out with something half-baked, we spent an extra couple of months having significant interaction with the industry players to try to find out exactly what they required.

Mrs Hale: The original time plan was April 2012.

Mr Adair: Yes. As Brian said, we talked extensively to the industry and to a number of stakeholders. We are very happy with what we got back and the strategy that was developed. An economic appraisal of the strategy has been done, and it was delivered to me very recently, on Friday. I have not had a chance to look at it yet. So, we hope to have the service provider in place in September or October of this year. We are approximately six months behind where we should be at this point.

The answer to the second part of your question goes back, in part, to what Robin Swann mentioned earlier. The strategy is based entirely on identifying and exploiting intellectual property makers and getting them to market through international trade missions and training. A new element this year is talent development, which we have never done before but which, very importantly, was identified as part of the consultations. Talent development is what the industry wants us to engage in.

Mr McMullan: Do you think that Invest NI should be involved in council structures and the review of public administration (RPA) as far as the economic development of the creative industries is concerned, considering the lack of enthusiasm from councils and the amount of money for economic development that could be spread through councils and the RPA?

Mr Dolaghan: That is a very leading question. I was not expecting that one in this session.

Mr McMullan: It is clearly coming through in comments and in what David was saying.

Mr Dolaghan: Again, this is a personal opinion, but I think that there is absolutely a role for councils and for Invest Northern Ireland in a closer working partnership. The microbusinesses should be being brought through at council level. The assistance should be at that level and should help them to grow to a stage at which they would be in a position to look at exporting to markets beyond Ireland and the UK. Councils should be taking businesses to that level and then, beyond that, because of the specialist need for an understanding of international markets, there is a role for Invest Northern Ireland in helping businesses to move to that next scale. I very much see it as an active and workable partnership between both. Does it work that way at the moment? Not in all instances, frankly. I think that there is a way to go to make it work, but we are on the right road. In the last couple of years, we have got on a better road than we were on previously, but, within that, there are pockets that are very successful and others that are being dragged along behind.

Mr Adair: Some councils have engaged significantly with us on the creative industries in the last six months; specifically, Belfast City Council, Derry City Council and Craigavon Borough Council. I believe that we also had engagement with Moyle District Council in the north-east. There is engagement, but, as you have specified, it is not across the board.

Mr Dolaghan: I think that your question was a wider question.

Mr McMullan: It is a wider question. Under the RPA and the structures that are envisaged for the new set-up, there is a need for somebody to help councils to drive that. The word "Europe" has not been used in here at all. We recognise that there is European funding, but the word "Europe" is not in the report at all. That is a bit of an omission. There is help through European funding — councils are driving INTERREG and all of that — and people like us need to be in there influencing them in a very positive way, instead of waiting for their report to come to you. There is a time factor there that could be greatly curtailed if you, or somebody like you, were in there with councils. It is something that I would like you to take away and discuss among yourselves.

Mr Dolaghan: The knowledge transfer piece is what I think you are driving at. In the last couple of presentations that Alastair Hamilton made to the Enterprise, Trade and Investment Committee, the need to transfer knowledge, not just funds or whatever it happens to be, has come out strongly. It is about that knowledge and how you grow those things. That is very high on the agenda at the moment and is actively being progressed.

Mr McMullan: Good man. Thank you.

The Chairperson: I will raise a final question. Some witnesses put forward a very strong argument for a national design strategy. Creative and Cultural Skills, in particular, indicated that it would like to work closely with you to develop a design programme, which would essentially add value to the work that it does across other industries through strategic design, product development and innovative thinking. What are your thoughts on the development of a design strategy?

Mr Dolaghan: I will ask Tracey to pick that one up, but first I will say that there were a couple of things in the evidence that was collected that surprised us a little bit. It goes back to Mr Swann's point about the knowledge of what actually goes on. The comments on design surprised us, because we have

been quite active on some of that for a time, going back to 1985, but, most recently, in 2008. I will let Tracey pick up on that, but the comments did surprise us.

Ms Tracey Walsh (Invest NI): Invest NI's approach to the design agenda, if we want to call it that, is cross-sectoral. It is not just focused on assisting companies that have a design focus, whether it is web design, product design, branding or whatever, although those companies do fall within my portfolio and we do have a programme of assistance for them. The point that we would raise is the change that has happened since 2008; there has been much more private sector investment in design since then whereas, before, much more government intervention was required. Invest NI put in over £2 million to support the design agenda across our client companies. We are now moving forward on a new programme that will run for the next three years; from 2012-15. Over £3 million of public money will go into that programme. The key point for us is that it will leverage over £2 million from industry, which is a real mind shift in how the design agenda is being embraced by companies and industry.

Mr Dolaghan: A lot of activity is going on in the design arena. It can always be better, and we would certainly welcome any further interaction with other design parties, but a lot is going on in that area already. There is a recognition by business of the need for design. The uptake in our programmes since 2008, and before, demonstrates that. Certainly, since 2008, there has been a significant uplift and a recognition that design and innovation are critical to moving businesses forward.

The Chairperson: You have shared quite a lot of information with us today, and I thank you for that, but is part of the issue maybe how you are branding what you are doing? You are doing it, but you are maybe not selling it particularly well. Perhaps it is not as recognisable to some of the groups that are out there.

Mr Dolaghan: That is a fair comment. It is also a huge challenge for us because we are involved in delivering a large amount of support in such wide and diverse areas. That is definitely a challenge that we will take away from this as well. We are obviously not getting the messages out there. We are probably getting the messages out to the corporate world, but we are maybe not getting the messages out to a wider audience. We have tried to target the messages at those who we feel will benefit most from them, but, as a result, others who are in that area feel left out and maybe do not understand exactly what is going on. It is a fair comment; we will have to take that away and see how we can better communicate with those individuals.

The Chairperson: On behalf of the Committee, I thank you for coming to us today and sharing with us. I hope that, if there is anything else that we need clarification on, you will be able to help us.

Mr Dolaghan: Certainly; not a problem.

The Chairperson: Thank you very much.