



Northern Ireland
Assembly

Committee for Culture, Arts and Leisure

OFFICIAL REPORT (Hansard)

**Inquiry into Maximising the Potential of
the Creative Industries in Northern
Ireland: University of Ulster**

26 April 2012

NORTHERN IRELAND ASSEMBLY

Committee for Culture, Arts and Leisure

Inquiry into Maximising the Potential of the Creative Industries in Northern Ireland: University of Ulster

26 April 2012

Members present for all or part of the proceedings:

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

Witnesses:

Mr Tim Brundle	University of Ulster
Professor Greg Lloyd	University of Ulster
Professor Ian Montgomery	University of Ulster
Dr Colm Murphy	University of Ulster

The Chairperson: We have Professor Greg Lloyd from the school of the built environment; Professor Ian Montgomery from the faculty of art, design and the built environment; Dr Colm Murphy, head of the school of media, film and journalism; and Mr Tim Brundle, director of innovation. Gentlemen, you are very welcome. Thank you very much for coming. I am not sure who is making an opening statement or whether you are making a joint statement. Who is leading off?

Professor Ian Montgomery (University of Ulster): Basically, what we will do is cover two main areas in the 10-minute presentation. I will talk about art and design and the creative industries from that perspective, and then Dr Murphy will spend the remainder of the time talking about media and the performing arts. So, we will try to dovetail into each other's presentations as best we can.

From the perspective of the art and design faculty at the University of Ulster, we are preparing graduates for work in the areas of fine art, animation, architecture, ceramics, design, textiles, fashion and related disciplines. Our graduates need access to capital and infrastructure. The challenge for students, on graduation, is whether they can move into self-employment or employment in any of the particular established industries.

The creative industries in Northern Ireland are worth half a billion pounds, as we know, and are a larger employer than agriculture. So, we are under no illusions about the sector's importance. For more than 160 years in Belfast, we have been sending graduates into design and associated disciplines — the creative industries. Creative industries provide the opportunity for our graduates to generate their own incomes. In many ways, these industries pose a lower risk for graduates than some of the other areas, where a graduate would go into professional employment in a larger organisation. We see the need for young and new creative talent to have an opportunity to be mentored by the industry, beyond normal placements. Graduates need to have the opportunity to be mentored, because although they obviously have creative skills, their business skills are significantly underdeveloped. So, it is about matching creative talent and business acumen.

I think that the term "creative industries" is a challenge in itself. It is often misunderstood and is perceived as being high risk and short term. What we aim to provide, certainly at postgraduate level, is a low-risk environment with high-risk opportunities for students to develop their creative skills. We think that there is a disjoint between the supply of designers, finance and manufacturing. There is a lack of confidence. We need to embrace the risk culture, but we understand that Northern Ireland as a country is naturally risk-averse. There is a lack of funding for continuing professional development (CPD) and masters students. I think that one of the challenges is the fact that graduates have limited opportunity to find funding for a masters or CPD course, because, although they are highly skilled and highly educated, they do not have high salaries.

We need infrastructure to develop a creative community network, making Northern Ireland a desirable, creative destination. I know that we have heard the Bilbao effect talked about in recent days, and I think we can capitalise on that and develop it. I think that there is a lack of transparent policy because responsibility for the creative industries is spread across a range of Departments. The creative industries are covered by the Department of Culture, Arts and Leisure (DCAL), the Department of Enterprise, Trade and Investment (DETI), the Department for Regional Development (DRD), the Department of the Environment (DOE) and others. So, they are spread across a whole range.

We do not have a design policy in Northern Ireland. Design Wales was established recently and is working very well, as is Creative Scotland. However, the design industries in Northern Ireland do not have visibility. I also think that there is limited international export, beyond the easily transportable digital media. How are Northern Ireland creative businesses sold worldwide, either in British or Irish embassies or consulates? What are the opportunities for us to develop and capitalise on our presence internationally? The creative confidence that I mentioned is not matched with business skills; those are significantly underdeveloped. I think that we need to use Government policy to set the research agenda for the creative industries. I have already mentioned the highly educated but low-paid sector. It is almost completely unsupported, with no professional body. It means that there is flexibility — and creativity is flexible, but it has no voice.

There is an opportunity to create a creative ecosystem between the Cathedral Quarter and the Titanic Quarter in order to develop a rich, boutique-style creative quarter to rival Temple Bar in Dublin or Covent Garden and Haynes Lane in London. I know that there are opportunities there, but the infrastructure is not in place to allow the creative, applied and fine arts to develop alongside the digital industries. So, there is a disjoint.

Finally, we need to continue to embrace international champions. Recently, Sir John Sorrell gave a talk in the Belfast campus, and we have given Daniel Libeskind an honorary doctorate. We think it is extremely important to continue this conversation with high-level discipline leaders.

Dr Colm Murphy (University of Ulster): Thank you for allowing us to address the Committee this morning. I am from the faculty of arts. We have five different schools, ranging from teaching music, dance, drama, interactive media, film, television, languages and English. We also have four research centres: the centre for media research; the arts and humanities research institute; the centre for Celtic studies, and the centre for research in creative technologies. Two of those centres are regarded as being in the top five in the UK as regards creative industries. Therefore, there is an established long record for Northern Ireland with regard to research in the creative industries, and it is something that we can build on.

The faculty is largely based in Coleraine and Magee, and we probably bring a slightly different perspective to the development of the creative industries. Our research centres and teaching are based largely outside the greater Belfast area. Therefore, there is a very strong skills base outside Belfast as regards the creative industries and the infrastructure for research in them.

I am also director of the Northern Ireland Skillset Media Academy, which is licensed by industry as an academy of excellence. There were 111 applications for academy-of-excellence status, and Northern Ireland was one of only 23 centres that were successful in the bid. The academy is a partnership between the University of Ulster, Belfast Metropolitan College and North West Regional College. Over the past five years or so, we have been developing a training infrastructure in Northern Ireland to create the next generation of talent. That talent will be of international standard, which can be compared to anywhere else in the world. That is the purpose of the academy. It has a ladder system, so that a student can go from a HND to a PhD. There is infrastructure in Northern Ireland to allow students to remain here; whereas, in the past, when students finished their HND, they then had to go to England or Scotland and did not come back, or they finished their bachelor's degree and went elsewhere or emigrated. Therefore, the objective is to try to retain that talent in Northern Ireland so that we can build up an industry here. So far, we have been successful in trying to retain the best people and the best creative talent.

With regard to the input into the set list of criteria that this inquiry was looking for, what we have looked at and put into our submission from our faculty are ideas. The problems in addressing the industry concern the internationalisation of the digital media industry and how we can link the local digital media industry, which is creating content largely for the local area, into the major international markets for digital media. Those include the north American market, the European market and the emerging markets of China and India. It is about how we develop an industry here that is connected into those major markets, because the only way it can develop is by having proper links into those markets. In our submission, we have outlined suggestions as to how that can happen.

Our faculty has been the leader in developing the Confucius Institute. Our partner in China is the Zhejiang University of Media and Communications, which is the second-largest media university in China. There are 12,000 graduates a year in media skills in China, so this gives us access to a fantastic network of media professionals in what is going to become the largest media market in the world by 2020. We are the first place in Europe to have that connection, and we will be the only Confucius Institute in Europe with that connection to China. Therefore, it is something that we can build on.

The second item is targeting global niche areas for digital media through our research and development policy. Northern Ireland has largely missed out on the current phase of development of the digital media industry. Therefore, the analysis from our research centres is that we have to look beyond the current creative industries and try to forecast what will become the areas in 10 or 15 years' time and position ourselves so that when that new wave of development comes, we will be at the forefront in developing those areas; we will have the research infrastructure; we will have tested the technologies, and we will have developed in that way. This seems to be a much smarter way of doing it than trying to develop in markets that are already saturated and in which other centres in the world have developed. Analysis of previous places that have developed successful sectors shows that that is what they have done. They have forecast and developed with strategic thinking.

Thirdly, it is about ensuring that Northern Ireland is recognised as the centre of excellence in skills in the creative media sector to attract foreign direct investment and help indigenous companies to develop. Skills are the most important thing that any company has. If you are to develop a sector, you have to have skills that are on a par with the best skills internationally. However, if you want to really develop a sector, the skills have to be better than what is there internationally. We cannot control that ourselves.

The final three points are about the best way to develop digital media industries, which is to create demand for the products and services. There are certain ways in which you can do that, and that is what is being done in Asia and America. Incentives are being developed for companies, state agencies and public bodies in order to create a market for next generation services and products that come from digital media industries. That is a much better way to develop the sector than straightforward grants or

anything like that. You develop an expertise in companies that allows them to develop things internationally.

Finally, we see places such as Singapore, Canada and Norway as having the best policies for developing creative media industries, particularly in the digital media sector. We looked at their incentives and different policies. We then looked at how they have developed policy implementation systems to ensure that when policies are made, they are implemented. One issue that we have is that, for such a small place, we have a large number of people making policies, and a large number of different agencies seem to be making policies in the creative industries sector. Although those agencies are excellent and do a good job themselves, it is a question of identifying the best policies to develop, and then implementing them.

Professor Montgomery: I will add that Mr Lloyd comes from a planning and creative industries perspective.

The Chairperson: As you have not had the opportunity to speak, Professor Lloyd, perhaps I will direct the first question to you. In your paper, you referred to the Scottish economic strategy, which has land-use planning as an important element in achieving economic ambitions. Will you explain how that type of strategy would assist Northern Ireland, specifically with creative industries but also with the economy more generally?

Professor Greg Lloyd (University of Ulster): Thank you very much indeed, Chair. The Scottish exemplar is interesting. There are differences between Scotland and Northern Ireland in size, industrial composition and economic working. However, around 2007, at the outset of the credit crunch and recession — and I see today that it is a double-dip recession, and that we are probably hurtling into a depression — the Scottish Government put together an economic strategy that identified, quite explicitly, sectors that they thought had potential in a very uncertain world. The Scottish Government strapped an economic recovery plan to that strategy to try to take off the worst edges of the downturn. Importantly, the Government took the statutory land-use planning system away from its previous location in the communities Department and put it into Mr Swinney's Department, which is Finance and Sustainable Growth.

Scotland deliberately uses planning as a delivery tool to achieve its economic ambitions. I will use an exemplar of that. You will be aware that there is a debate and a lot of lobbying to introduce an enterprise zone in Northern Ireland. I have to say that I am very much against that idea, as I think that it is a busted flush. It was used in the 1980s, and there is a lot of research to support the argument that it did not prove to be sustainable. However, Scotland has gone down the road of what are called enterprise areas. They are not geographically focused, they are sector focused. Once you have got your sectors identified, a geography will appear, but it does not have to be contiguous. It does not have to be in the south-east, the south-west or whatever. It is actually a way in which you can identify the industrial sectors and then give them the appropriate support in the areas in which they happen to be located.

That support would comprise fiscal incentives, streamlined planning and other administrative streamlining. If the Northern Ireland Assembly and Government believe that the creative industries sector has potential — and as Professor Montgomery says, it is a fairly heavy hitter— it will not grow and be nurtured by happenstance. As Richard Florida, the American economist, pointed out, there are serious prerequisites to creating the conditions within which the creative sector can thrive. I think the Scottish model would be worth investigating.

The Chairperson: Do you think that could be replicated in a different manner for Northern Ireland?

Professor Lloyd: I think that, as a wee model of providing government direction and support, it would be appropriate. The Northern Ireland Affairs Committee looked at the potential for enterprise zones across the piece. If Northern Ireland, as a whole, became an enterprise zone, I think that that would be a retrograde step. I think that even designating particular areas of Northern Ireland as enterprise zones in the old way would be a retrogressive step. However, the idea of having sectors, and then, once you have identified them, beginning to strap together a support mechanism, is the appropriate

way to go. It is sensitive and can allow you to develop deeper networks and linkages. The creative industries sound terribly romantic, but they need supply chains as much as heavy manufacturing does. Do we know what those supply chains are? Do we know whether the creative industries can speak to one another? They need to have that synergy to develop those ideas.

The last point is that I really do believe that Northern Ireland needs a firm economic strategy for creative industries, because, by their very nature — and there are oodles of research to this effect — they are destructive. They are very unstable. Of course, there could be knock-on effects; so, creativity might actually throw up something that damages another part of the Northern Ireland economy. We have got to be ready for that.

The Chairperson: What you said has probably been reflected in some of the previous conversations that we have had about the idea of a Creative Northern Ireland or perhaps a Creative Belfast, similar to a Creative Scotland. You mentioned the need for a design policy and perhaps a creative ecosystem. This is probably the first time that we have heard that terminology. Will you expand on that and give us some idea of where you see it within your vision and who may lead on the concept?

Professor Montgomery: One of the challenges we have is that the creative sector in Northern Ireland has been resilient and visionary, but has been very local. It does not have professional accreditation, so, in theory, anyone can be a designer. It also does not have infrastructure. There are a lot of people working in the creative industries who are also working in particular jobs in order to feed their creative practice. The infrastructure does not necessarily exist for them to get support. We have fantastic support through the Arts Council, through organisations such as Craft Northern Ireland, and through the recent launch of the MAC, but individual practitioners are working in jobs, perhaps commercially in Tesco, or in teaching, or whatever, and are using those wages to fund their creative practice. As I understand it, the average graduate creative salary is about £7,000 or £8,000 within the broader creative practice area. So, we need infrastructure. We need some way for people to be able to share, network and develop their industry. The creative skills are there, but the business skills linking into those creative skills are not. If you consider Covent Garden, which has a link with good restaurants, it also has wacky commercial studios, it is sexy, and people want to go there. I think that we need to have that ecosystem whereby we can provide those things together, so that people are not coming simply for one particular experience but for a broad range of experiences. Northern Ireland is a great place to enjoy the creative industries for free. I think that we now need to start capitalising on cafe culture alongside the ability to buy ceramics or jewellery from a silversmith or to look at print-making and buy prints. We do not have that infrastructure, and I think that we need to start thinking about it.

Also, there is no design policy. Where would, say, University of Ulster graduates who have gone into a small to medium-sized graphic design consultancy and then set up a small practice sell internationally? Where is the policy that they can latch on to and say, "Actually, I know where this country is going"? There is not one. They generate their own work. It is generally a service-based industry. They generate work, generally, for the local market, although there is some good international work coming through. Some of our graduates have recently been working on Bruce Willis and Adam Sandler movies in the new area of animation. We developed the animation area in the Belfast campus to link specifically into the industry. That has been an industry-focused development. However, in the wider sphere of the creative industries, the problem is that, although a final-year sole practitioner may have great notions of being a hero/artist, when they get into the profession, that all falls off after two years because they cannot sustain themselves in the industry. There is great potential for them to be able to do that, but we just do not have the infrastructure.

Mr Swann: Thank you for your presentations, gentlemen. The submission from the school of media, film and journalism refers to an INTERREG funding bid for £5 million that has been delayed for three years. What is the detail on that? How is that hampering your progress?

Dr Colm Murphy: The INTERREG tender was put out to develop the creative industries outside the greater Belfast area and to link up with the west of Scotland and the border regions. A tender document was issued, and we put together a partnership to bid for that. It was led by the University of Ulster and included partners in Scotland, the Dundalk Institute of Technology, Letterkenny Institute of Technology, three of the further education colleges and Skillset. So, it was quite a big partnership, and

a lot of effort went in to putting that consortium together to bid for the tender. We put in a quite a large tender document to meet the bid, and we were selected as the preferred tenderer for that.

For some reason — I suppose that it got caught in the economic downturn, because that is how far back this goes, although things were still quite good at the time — it asked for another minor tender or to put it back to tender, where it would specify how much money it would pay. Effectively, the price that it was prepared to pay for the programme was reduced. So, another tender went out, and we again bid for that. We almost had to start afresh with it, but again, we were the preferred bidder.

Now it has gone through economic evaluation and so forth. It has been approved by the board of INTERREG but is still waiting on approval from the Department of Enterprise, Trade and Investment, as far as I know. We are always being told that we will have a decision next month; it is always "next month". This has been going on for practically three and a half years. It is always "next month". It is disheartening for the people who have put it together. However, we still have to make provision, because if we are told in three months' time that we have got the tender, we have to have people ready to operate it. There was a huge willingness by people to put together very ambitious plans. It is a very ambitious project, if given the right incentives to do it. There has to be reciprocation on the other end: if a tender goes out, you expect it to be followed through.

Mr Tim Brundle (University of Ulster): The Special EU Programmes Body has been very diligent in its consultations with the various stakeholders involved in the creative industries. So, as the tender has been changed, that consultation has started again. As Professor Montgomery highlighted earlier, there are a lot of stakeholders involved in the creative industries, and there are a lot of voices to be heard and consulted with. That is one of the reasons why those delays have been accumulating.

Mr Swann: Just on the lot of voices, the same paper says that no country can be competitive in all sectors. This inquiry is pulling out just how diverse the creative industries are. They cover everything from architecture to weaving, to film, to industry. We have already seen success through Northern Ireland Screen, but is there a particular area that Northern Ireland should concentrate on to become a world leader, rather than going for the broad-brush creative industries, or do you all have your own personal ideas?

Professor Montgomery: Animation is an area for development. We need to develop a skills base for Northern Ireland. We have been able to attract back to Northern Ireland some heavy hitters, and Professor Greg Maguire is now leading the animation area. Graduates studying on our multidisciplinary design programme are already setting themselves up in business and undertaking commissions from American film studios to develop their work. We see that as a leading light developing our digital content and skills. There is a developing infrastructure there, which is in its infancy. It is being supported by funding from the Department of Culture, Arts and Leisure, but when those people get into employment or graduate we need to develop that infrastructure for them to be able to thrive in their own businesses.

Dr Colm Murphy: It is not just a matter of identifying this as a sector that we are going to go for; you have to have a skills base there before you can get that sector. One area that would be quite a quick win, if you know what I mean, but also provide high-end jobs, where there is an opportunity that perhaps has been missed, when we talk about creative industries, if you take an app, for instance, is to localise an app and have it sold in the 20 largest markets in the world. It would involve 300 different procedures, from changing the language, the format, programming for Android, and other things. A huge amount of employment can be created just by developing expertise in doing that. A lot of that is creative industries. It is not necessarily our traditional focus of the creative industries, but you would build up an expertise.

Northern Ireland would be a very good base to develop that customisation because if companies in America and China want to get into the European market, you are talking about 11 or 12 different currencies and many different languages. In China, they are used to operating in Mandarin. In America, they are used to operating in Spanish and English and in one currency in both countries. It is very complicated for them to try to get into Europe. However, we are halfway between the two time zones, so we have a very good infrastructure, and we have talented people. It is creative industries,

and it is building up an expertise in doing that. From that, you can start developing your own apps, but you build the international links first of all. You have to start small and build it up. There is no point in saying that we are going to be here when our skills and research are there. You have to do things to build yourself and your capacity up first of all and look at areas where you can do that. That is one area that could be done relatively easily and fast. You could build up the expertise to do that and build yourself as a centre of excellence for doing that.

Mr Hilditch: The Creative Futures programme — is that the INTERREG bid?

Mr Brundle: Yes.

Mr Hilditch: That has been answered then. I have my Finance Committee hat on and was interested in that aspect.

The Chairperson: On the Creative Futures programme, what lessons did you learn from your partners in Scotland?

Mr Brundle: It is interesting. We found that there is a more coherent policy in Scotland in relation to the creative industries. You have leadership and policy there that aggregates the thoughts of different stakeholders around single outputs and outcomes from interventions into the creative industries.

The players in that market are very similar and the problems are all the same — access to infrastructure and working capital. How do you provide a 21-year-old graduate in design who wants to get into business with working capital to get started? That will be a universal problem in the current environment.

We found that Scotland had piloted a lot of very useful programmes to provide business skills to graduates. There were elements of the mentoring that had been provided to early-career creative entrepreneurs that were very helpful, and also some lessons on how to provide people with incubation infrastructure. How do you provide an environment in which people can co-locate, co-work and learn from one another? In what kind of environments do people want to work together? Where is that successful? So, there were a number of lessons on business skills, mentoring, infrastructure and business placements.

Mr Ó hOisín: Thanks for your presentation. Last week, I attended a reception for the Confucius Institute at the UU Coleraine, in my constituency. What is the significance of being the only western European connection with that institute and, in particular, of its link with Zhejiang University? It looks as if there is huge potential in that.

Dr Colm Murphy: I am on the management board of the Confucius Institute and was part of the team that linked up with what we, for handiness, call ZUMC — Zhejiang University of Media and Communications. I have visited the Zhejiang campus a number of times, and it is a fantastic infrastructure. They are about eight years ahead of us as regards infrastructure for the development of digital media industries, and even on educational policy and so forth. The potential there is enormous.

There are a number of things. First is building up our expertise. It is not a question just of us taking their students in; it is about us sending our students out there and doing collaborative research, so that we learn a lot about the market. Secondly, it is a soft way in for Northern Ireland companies who want to get into the Chinese market. It is expertise and so forth, and also they can maybe do placements for students from Zhejiang and build up a link by setting up operations there. They bring people maybe to work with them for a while and then go back to China and be their partner or whatever.

It can still be quite difficult for a foreign company to set up a business in China, but it can be done in various ways and that is one. So, there is fantastic potential there for research, student and staff exchanges, and knowledge transfer by partnering local companies with those in Zhejiang. Zhejiang province is known as China's Silicon Valley. The campus has many connections with technology and creative industry companies in China. Most of the world's biggest digital media companies are

Chinese. They have their own Facebooks and so forth. We have never heard of them because they are on the other side of the world, but digital media is a huge business in China. Those companies will want to expand into Europe and America and vice versa; companies from here will want to expand the other way. Having the expertise here is one way of making Northern Ireland the gateway for companies that want to expand into China.

Mr McMullan: Thanks for your presentation. You have confused me even more about the creative industries. You talk about tax breaks; where do you see these tax breaks?

Professor Lloyd: I referred to them in the context of a particular economic instrument of the enterprise zone or area. I do not think that it necessarily rests on tax breaks. It is important for Northern Ireland to create the right incentives and to remove any disincentives that there may be in the system. Incentives could, for example, be access to mentoring for young people who are trying to make their way in the world. Perhaps they need a sage head to say, "Look, this is the way that you do it". Look at the way that community development, for example, is understood. People refer to leading lights and champions. They also refer to glow-worms. They are the people who, very quietly, are working in the community and offering support. When we look at a sector like the creative industries, which, as you say, is very diverse, and will be changing all the time, we see that we need to find appropriate incentives to allow it to grow.

Mr McMullan: There is a very volatile market out there. I am very ignorant about this: how many graduates come out every year?

Professor Montgomery: In the Belfast campus, we graduate about 300 students each year. That crosses ceramics, silversmithing and jewellery, print-making, fine art, sculpture, design for visual communication, interactive multimedia design and textiles, which includes weaving, knitting, fashion design, silversmithing and jewellery. There is a whole range of areas. We also have product designers, industrial designers, interior designers and architects. It crosses that broad range.

Mr McMullan: If we are putting out 300 graduates every year into a market that pays an average of £7,000 to £8,000, what is the incentive for those graduates? They are going into other sectors of the workforce to supplement their income.

Professor Montgomery: To clarify, that is what they earn from their creative practice. Someone who is teaching will, obviously, get their teaching salary, and then they will earn about that from their creative practice within some of the fine and applied art areas. Quality of life is the other thing. They undertake their creative practices in order to be able to produce things.

Mr McMullan: We talk about having a boutique area like Covent Garden and Temple Bar. I did not see any examples about Temple Bar. I saw examples about Design Wales and Design Scotland, and I am sure that they are well merited. However, I did not see anything about examples in the Irish market. That leads me to my next question: are there markets in competition with each other trying to promote a Northern Ireland market? Do you agree that there is an Irish market out there that is stronger than the Northern Ireland market?

Professor Montgomery: One of the challenges is that Dublin has been presented as a creative and cultural destination, and Belfast has not. It is becoming a cultural destination; we are developing a Bilbao effect. There is no area in Belfast that could be clearly identified as being an established cultural area. We see the Cathedral Quarter developing, but it is not developed anywhere near the maturity of Temple Bar in Dublin, Heels Lane or Covent Garden. We need to think about an integrated gallery/cafe/shop-type culture in Belfast for people to come to.

Mr McMullan: This is my last question. A lot of emphasis is put on helping young people, etc. We have Invest NI, which encourages and helps a lot of industry. Do you agree that there is a need for something that is the equivalent of Invest NI for small industries to help them get on? Do you agree that that is one thing that is lacking? Invest NI can help the larger industries, but it has a very restrictive policy on small industries.

Mr Brundle: I am a board member of Invest Northern Ireland. As you are probably aware, Invest NI has a strategy of widening access and broadening its customer base to include many earlier-stage companies. That includes many companies from the creative industries. Much of Invest NI's support in creative industries has been targeted at digital media and the digital media side of the creative industries. It has also been working to provide support and infrastructure around film and television and to help build out that industry in partnership with Northern Ireland Screen. I suppose the question is whether we need another agency supporting start-ups, or supporting young or small companies. I do not feel that that is necessary. I feel that the resources are there within Invest NI. If the question is whether we need a sharper focus on the requirements of the creative industries, I do think that that is needed, whether that is at policy level, through specific funds, incentives, programmes or other means of support.

Mr McMullan: Should the emphasis not be on Invest NI to come up with a policy for that, if we do not think about creating another infrastructure to help the small industry? Why is Invest NI not moving towards that? It has been told it often enough and for long enough. The creative industries have been crying out for that for a long time. Why has Invest NI not moved on that?

Mr Brundle: As you are probably aware, Invest NI is a delivery agency, and DETI —

Mr McMullan: Regarding that —

Mr Brundle: DETI sets policy, and has taken some time and care over an economic policy for Northern Ireland. I believe that the creative industries are featured quite significantly in that economic policy as it has been delivered. To look at it from a slightly different perspective, if you were a digital media start-up company, there are a number of avenues that you could approach to get your business off the ground. Invest Northern Ireland will support a digital media start-up company, DCAL will support a start-up company and the councils have been very supportive by providing financial support to those types of companies. Northern Ireland Screen has done the same. There are some seed funds that are out there, which have been sponsored by Invest Northern Ireland and others. If you collect those things together, you have got a package of support that is meaningful to get started.

What is interesting about that journey for those companies is that there are many common expectations from those funding partners and many different expectations from those funding partners on the behaviours that they would like to see from those companies. They are looking for different things. They are looking for creative and cultural development, economic growth, employment and other things. They are collecting a series of attributes of those enterprises that they each find interesting, so companies can go and do those things. I do not feel that Invest NI, at the middle of all of that, can singularly provide all of the funds to achieve all of those outputs. What Invest NI is about is being a delivery agency for DETI that can provide economic growth by supporting companies. That is a wider issue.

Mr McMullan: Part of what you are saying is that those companies enjoy that journey. Some of the companies you have talked about enjoy government tax breaks here, and even higher tax breaks if they go into the South of Ireland. We are talking about the creative industries and those people who do not enjoy tax breaks. That is what the inquiry is about. If we have Invest NI, which has a very focused way of helping investment, which is mainly driven towards export, we need something internally, within our own market, to help those people get up off the ground and get into the export mode. That is what I am talking about here, and we do not have that. If it is not Invest NI, which works with the policy that DETI sets, is the problem with the policy that DETI sets, or do we need to look at some other structure within the policy and within DETI to help those people get off the ground to get onto the next rung?

Mr Brundle: Sorry; I did not mean to mislead you. Invest NI has had a digital development strategy going back six or seven years. So, there has been a strategy for a sub-segment of the creative industries. Invest NI has been providing support to those industries in a number of respects. It has been providing support to early-stage companies to get them self-started and to export. It has been attracting foreign direct investment in the creative industries. It has also been helping companies, principally in digital media, to scale themselves. That activity has been happening. Adjacent support is also available to those companies from other Departments, agencies and councils. There are

programmes there, and there is a strategy there. However, I think what I am saying is that, although there are a number of strategies, programmes and funding sources out there, if we were to weave them together, we could create something bigger than the sum of their parts.

Mr McMullan: Sorry; I want just to finish off. I will be very quick —

The Chairperson: Professor Lloyd just wants to come in on that point.

Professor Lloyd: Northern Ireland has a convoluted spaghetti of Departments, agencies, and so on. Certainly my observation is that they are not all necessarily flying in the same direction; rather, they tend to be flying in close formation rather than in an integrated way. From listening to Tim, I think the worrying thing is that, although there is lots of support out there, it is not tailored. Identifying the appropriate package might need to be overhauled.

Chair, with your indulgence, I would like to go back to the example of Scotland. Five or six years ago, the convoluted system of government there was stripped back, and it began to become much focused and prioritised. For example, interestingly, Mr Salmond, the First Minister, set up a council of economic advisers who meet and publish reports, and Mr Salmond has to reply to those reports in public. He either defends his position or he comes up and says, "I like that idea, and I am going to run with it". That is done in public. So, there is a greater transparency there. What that has provided is the ability to get to the priorities, sectors, areas and industries that are seen as having potential. Scotland has moved to, for example, renewable energy, not surprisingly, and it is promoting that very clearly now. I think that that openness and transparency is very important. Getting the culture change required to get different agencies, bodies and Departments singing from the same hymn sheet is an incredible breakthrough, and sadly, I do not think that we are in tune yet.

Mr McMullan: The problem lies here.

Professor Lloyd: Absolutely.

Mr McMullan: So it has to start from here. That is interesting.

Mr Hilditch: In reference to Tim's comments, in my constituency of East Antrim, are the likes of Ledcom and Carrickfergus Enterprise and people like that the vehicles that you are referring to in respect of giving individuals and small businesses a leg up and a helping hand?

Mr Brundle: I am familiar with Ledcom's work in particular. It provides excellent broad-spectrum support for early-stage companies; it is absolutely excellent. However, I think that we could do with more specificity around the requirements of creative businesses, not as a replacement for Ledcom and the others but as something to supplement them, whether that be through programmes that overlay the incubative facilities that are there or bespoke facilities for the creative industries. I tend to favour the latter.

Mr Hilditch: We regularly hear that argument in questioning, and I know that it is quite legitimate, Oliver. However, in three week's time, there will be a celebration of success at Carrickfergus Enterprise, and many of the people who will be showcasing at the event, next Thursday night or the Thursday night after, are from the creative industries. So, I am not convinced that there is nothing there. There is something there, and it seems to be working to a fair degree, given that we are having events to celebrate the success of small businesses and individuals. So, it is about how that links up.

Mr Brundle: There is a classical definition of incubation for digital-media-type companies, which combines infrastructure — the actual facilities — mentoring from the people who have successfully made the journey that those companies will make, and the companies' capital requirements, such as access to seed funding, banking facilities and the professional services of solicitors, accountants and so on. When you package up mentoring, professional services, cash and facilities and bring together a number of different people who are on the same journey, that is a standard digital media incubator. The interesting thing is that Northern Ireland could be the only region in western Europe that does not have such a facility, which is quite remarkable.

Mr McMullan: What is your view on the welfare cutbacks? Will it not harm the industry, when there are so many low-income people out there on family tax credits, etc? If the cutbacks go through, they will harm the industry even further. I do not see that mentioned in your report.

Professor Lloyd: I said at the beginning that we cannot look at creative industries out of context. The context is that we are in a very difficult economic position. Sadly, I am an unreconstructed Keynesian, and I despair at the austerity policies that are going through, but I am speaking as an individual now. It is very worrying, because deflating an economy deliberately does extraordinary damage. There can be long-lasting knock-on and spillover effects. Today's news about the economic indicators does not bode well.

Mr Irwin: I apologise for not being present for your presentation. You state that the creative industries suffer from the lack of a transparent policy and that, as they are spread across a range of Departments, they do not have a cohesive policy. You touched on it earlier, but, in my eyes, that must leave the industry at a big disadvantage. Is there one Department that you think should take a lead on this?

Professor Montgomery: That is the problem. It is scattered across a range of Departments. Small businesses generally comprise one person or two people. A large business in the creative industries sector will probably have about 10 people.

One of the challenges is that a lot of graduates produce outstanding final-year work, but where do they go after that? What opportunities are there for individuals to develop, take risks in business or professional practice and then take the next leap of looking at internationalising their work? There is not necessarily the infrastructure or mentoring for that. There is some funding for CPD in industry-related projects such as animation, which I spoke about. However, generally, they cannot generate funding to do a masters or CPD in this area. They do not have the company backing that other areas might have. If a large company decides that it wants to put three or four staff through a masters programme, it can do that. However, how would a lone practitioner afford a masters programme that will cost x amount of pounds? How can that person upskill?

If you are a high-end craftsperson who generates high-end silversmithing and jewellery for a prestige market, how do you earn other types of funding? You may want to develop 3D computer-aided design skills, but how do you achieve that without funding? You may want to design something in bulk in 3D and send it to another country for manufacture or outsource it for manufacture somewhere else, but you do not have the skills to do so. How do you get those skills? You cannot get them without undertaking a masters or CPD. The funding and infrastructure to do that do not exist. We do not necessarily have the infrastructure to link the creative skills with the business skills. We have perhaps covered that already.

Mr D Bradley: I apologise for being late. Professor Lloyd, you mentioned the enterprise zone approach. You said that the traditional approach is geographical and that you would prefer a sectoral approach. You may have mentioned this earlier in your presentation, and if you did so, I apologise. What are the main differences between those two approaches and what are the advantages, in your view, of the sectoral approach?

Professor Lloyd: The geographical approach is the old model and it still dominates debates. The Westminster Government has just introduced new enterprise zones, which are geographical. Once you designate an area as an enterprise zone, that zone includes everything in it. You might be picking up a lot of dead weight, such as firms that are underperforming, and which will then get an extra subsidy and continue. I do not want to be too brutal about it, but such firms are being prolonged, basically, by being subsidised.

The enterprise area approach, which is sector-based, follows a detailed analysis of the nature and structure of the economy. Sectors with potential are then picked out. They may happen to be scattered across the geography of Scotland, Northern Ireland or wherever, but you can then begin to link the nodes. Professor Montgomery mentioned the idea of a creative ecosystem. Its essential

characteristic is connectivity. It is not only the connectivity of those involved in the creative industries, it is their spreading and making connections. What is linked to that, of course, is a change of culture or mindset. What they are trying to do in Scotland, with the sectoral approach, is to get the different firms or businesses in those areas talking. Instead of just competing with one another in a very small market, they should be talking, collaborating and taking on a bigger market. Again, it is a fairly recent step, but it looks on paper to be very exciting. It strikes me as being streamlined and focused. I am a great believer in going back to simple principles, rather than confounding them with complexities.

Mr D Bradley: I can see your point that the sectoral approach can be more focused and that you can prioritise the areas that you want to grow. However, surely the whole idea of enterprise zones is to regenerate economic wastelands. If you change to the sectoral-based approach, you will run the danger of giving advantage to areas that are already thriving economically while the wastelands continue to waste.

Professor Lloyd: This is a very complex debate. When geographically-based enterprise zones were introduced in the 1980s, it was largely due to an ideological belief in markets and, even sharper than that, the land and property development sector was seen as being the way out of problems. It was also because there was an undersupply of bespoke office and commercial space for industries to take up. Roll forward to 2012, and we have a surplus of space. The land and property sector is not working very well. It is stagnant. So, I think that the geographical approach would be wrong at the moment. We must be much more precise and focus on those sectors that are growing. There may be other sectors, of course, that also have fantastic potential. Equine, you know —

Professor Montgomery: We are kidding ourselves if we are thinking about a big bang or single solution. Take the example of Motorola in Scotland. Scotland reckoned that bringing in Motorola would generate lots of businesses around it. However, Motorola came and went, and it did not happen. Compare that to the Cambridge area and its hinterland, where there is a very strong knowledge economy that has built up a range of highly-developed networks. We are in that position. We have the opportunity to develop such networks. We can develop at much less risk by maturing what we already have and by offering opportunities for the creative industries to develop. It is a high-risk activity, and what we have to present or offer, in some chosen areas, is a low-risk environment.

Mr McGimpsey: I apologise for arriving late.

I want to pick up on your remark about the big bang. It is important to remember that we are at least 10 years behind Scotland. I always think that you should not reinvent the wheel. If you are trying to do something, look at somebody else who has already created the wheel and see whether what they have done applies to you. Salmond has changed things around in Scotland. We have a dog's dinner of a Government and Scotland's is fairly streamlined, given the limitations. Matching Scotland, simply copying it, looking at Scotland's experience over the past 10 years — the things that it has tried and failed and those in which it has succeeded — is there a format there that we can look at and grab that would give us a rough framework for going forward?

Bear in mind that this is all about creating jobs for our young people. I agree with you that this is not about trawling America in search of a John DeLorean, to whom we will give millions to come over here and set up a big factory. It is about encouraging small and medium-sized businesses here and unlocking the creativity in our society, particularly among young people who, because they cannot do A levels, may never get a sniff of a University of Ulster place but be brilliant at what we are talking about. Looking at Scotland's experience, do you see any framework or lines that we could follow or recommend that would carry us forward and give us a chance of cutting corners to catch up?

Mr Brundle: There are lessons there. One is that there is no big bang, so we have to do a number of things. The growth in the film and television industry in Northern Ireland is built on inward investment, support for start-ups and on the ability to scale up existing enterprises. Different types of businesses will have their roles to play in building an industry, and you will be familiar with the fact that that work is ongoing. Around the world, there are creative hotspots that are 10 or 20 years more mature. Their policies and infrastructure are also 10 or 20 years more mature, but you can easily draw down and look at them.

Professor Lloyd: Scotland is a lovely example to look at, but we must bear in mind that it has a population of about five million people and Northern Ireland has around 1.8 million. Scotland has different industrial traditions; its topography differs and so on. Having said that, I was fortunate to live and work in Scotland for over 30 years. I lived through the speculative boom around North Sea oil and gas, for example, and the inflation of the Aberdeen economy with its consequential problems. I saw the restructuring in Glasgow and Dundee.

There are many complex issues, but the true lesson from Scotland in the past 10 years is that it has put conversations about its economy at the core of Government. It has robust discussions about what is meant by sustainable economic growth and by economic development. It has then looked at the way that government can be mobilised to deliver. Priorities are being set down. For example, Scotland has introduced a national planning framework, which sets the strategic context within which, more or less, everything happens. It looks at cohesion, inclusion, where the trade-offs have to be made and so on. It is interesting that the politics caught up with that idea, and it is now a statutory document, which simply states that Scotland is serious about this. Our equivalent, the regional development strategy, performs the same sort of purpose and perhaps needs to have some insights about how Scotland has done it. Sorry, I do not want to keep saying that Scotland is doing it better; it may not be, but —

Professor Montgomery: I also ask: where is the road map? If a comparative analysis between us and other creative, cultural destinations worldwide is to be undertaken, where is the research into that? Where is the road map? In other words, as a creative or a cultural destination, and to develop our cultural industries, where do we see those industries being in five or 10 years' time? Who are we competing against and how can we get people to buy into that shared vision?

Mr Brundle: One note of good news is that when the creative futures programme eventually gets started, there will be a good diffusion of programmes between Scotland and Northern Ireland, which is something that we are looking forward to.

The Chairperson: Thank you once again for coming. You will notice from the engagement of all the members that it was a very enjoyable and informative session. Thank you very much.