



Northern Ireland
Assembly

Committee for Culture, Arts and Leisure

OFFICIAL REPORT (Hansard)

**Inquiry into Maximising the Potential of
the Creative Industries: Belfast City
Council**

9 February 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
Mr William Irwin (Deputy Chairperson)
Mr Dominic Bradley
Mr David Hilditch
Mrs Karen McKeivitt
Mr Pat Sheehan
Mr Robin Swann

Witnesses:

Mr Brendan McGoran Belfast City Council

The Chairperson: I welcome Brendan McGoran, the creative industries officer from Belfast City Council. Thank you for your detailed response. If you give us an opening statement of about 10 minutes, members will then take the opportunity to ask questions.

Mr Brendan McGoran (Belfast City Council): Thank you for inviting me and offering the council a response. As my title suggests, the council has prioritised the creative industries sector since about 2004. I think that we were the first council to do so. Belfast City Council looks at the creative industries sector from an economic development point of view, not a tourism or a culture and arts point of view. We do have a tourism, culture and arts unit, but it is more focused on types of visual arts, the tourism initiatives that we work on and the cultural, not-for-profit types of thing. The council has gone through quite a few changes over the past month, and they are probably are not in the report. Those changes relate to a more joined-up approach, new creative industries strategies and, in light of the investment package of £150 million that was announced last week, other new strategies for the city. Obviously there is a big creative industries element to that.

The creative industries were identified as being potentially a key priority sector for Belfast and the economy. We had been looking at what sectors were keen for employment and wealth creation in the city. My background is very much in creative industries in the private sector, so, back in 2004, the public sector was very much a new experience. My background is more in visual effects and animation.

A little bit of research had been done back then based on the Department of Culture, Media and Sports (DCMS) priority in 1999, when the task force was set up to prioritise the creative industries and defined through the 13 standard industry codes. My job was to come in and look at where the priority was. The priority was wealth creation, leading to employment through the exploitation of intellectual property (IP). That is basically the definition that DCMS adopted back in 1999, when that task force was set up. Most cities around the world had adopted that definition. It was not so much the

standard industry codes. Everything from advertising, architecture and visual arts right through to software development was included in the DCMS and Department of Culture, Arts and Leisure (DCAL) definition back in 2000.

We adopted the wealth creation and the employment. The council provides 50% funding to the sector. We have to raise 50% of our funding from external sources. That is from either the private sector, Europe — through, predominantly, European regional development fund (ERDF) money — or other agencies where we can add value and with which we can collaborate, such as Northern Ireland Screen, Digital Circle, Momentum, Invest NI, DCAL, Skillset, Creative and Cultural Skills, etc. They are organisations that have a vested interest in the development of the sector.

In 2004-07, we invested £250,000 in the sector under three key areas, which were part of our plan. I use "plan" loosely, but it is a sort of a strategic plan that we looked at under economic development. It covered business development and growth, skills development and infrastructure. They are self-explanatory. Business development and growth is anything that is helping the creative industry sector to develop. When I focused on creative industries between 2004 and 2007, we were looking at all sectors under the 13 industry codes, or the ones that had deemed that they wanted to move to be profitable, to create profit and wealth and, hopefully, to employ people as part of that. Business development and growth covers anything from export development to business management, financial management, IP development and everything relating to the exploitation of intellectual property. It could be film and TV predominantly, digital content — which is animation, visual effects, games, e-learning, mobile content, those types of thing — fashion design, architecture and some visual arts and theatre. We wanted to take theatre from not-for-profit and make it a profit-making scenario.

Capability or skills development is basically how we tackle two major issues. The sector is still small, which means you may have very good film and TV and digital media companies. They are very specialised in those areas, but may not have the specific skills in finance management or business. We go in and work with small companies and help them get the necessary skills. That is still an issue, and one on which other organisations can collaborate.

The major issue that is still a concern, and which we feel we are going to try to do some work on, is what comes out of university and the fitness for purpose of courses and some of the education that is being developed. We will spend a bit of time working on inward investment with international partners. We have a Friends of Belfast network, which we use for creative industries development. It was very instrumental in the Good Friday Agreement. We work with John Connorton, Michael Flannery from the New York executive council and Bob Johnston from Boston. We also have a network in Nashville. The mayor of Belfast collaborates with the mayor of Nashville. They were used very much for civic purposes such as the peace process, tourism or to change the image of Belfast. In 2005, we hung on economic development. We carried out trade missions to New York and Boston. We also had the Rediscover Northern Ireland programme. We had a meeting with the Kennedy family on Capitol Hill, and we met the Discovery channel, PBS and, at its headquarters in Washington, National Geographic. Those meetings were very much focused on the economy and creative industry support, and not for civic purposes.

While we were doing that we were attracting a lot of inward investment. That proved to be pointless, and, to a certain extent, it still is, because we turn a lot of work away. We may be offered a high-profile feature film such as 'Transformers 3' or whatever in Belfast, but we cannot deliver the 200 or 300 staff who are meant to be skilled in a specific piece of software, Maya, which is industry standard and was not taught here until last year. Again, the University of Ulster is taking the lead in that, and Belfast Metropolitan College's new e3 building has a fully kitted out Maya 3D suite. We advise and bring the private sector in on that.

That is one area where we are trying to ensure that we have jobs for students who are at university here and are paying tuition fees. There is no shortage of students who want to do the courses that have been designed and are on offer. There is a very high calibre of private sector lecturers lecturing in those facilities, and it is only fair that we provide a match-up of people into jobs in those high-profile industries. That currently happens ad hoc and not in a coherent manner. We are keen to make it part of the city offering for anyone who comes into Belfast.

Finally, infrastructure is still relevant and is in our document. Infrastructure is two things. First, there is the infrastructure for business incubation for companies to develop. In the creative sector, the ones that we determine in our new plan for 2007-2010 are those that offer Belfast the maximum return on our investment. We put in council money, which is ratepayers' money, and we raise money. We want to see a return on that investment. For example, if we put £20,000 into a project for 10 companies, we need to see a return of at least £40,000, not to us but to sales, exploitation of IP or whatever it would be.

We targeted companies because that was where the demand was. Our key areas were narrowed down from 13 to four, predominantly: film and television; digital media; music; and design. Design incorporates graphic design, branding and, to a certain point, fashion design, although the critical mass is not there at present. Film and TV includes everything from short film and feature film to kids' and genre-specific television. We have also fallen into the area of animation and visual effects. That overlaps with digital content, which is mobile development, apps development, video games, e-learning and online solutions. Visual effects would potentially fall into that area, and that is just servicing visual effects, not producing a movie such as 'Shrek'. It involves providing the skeletal builds and all of the kinetic infrastructure that goes with it.

Music fell to us only from a political part in 2007 as part of the Rediscover programme, and it is still very political for us. We are taking the largest trade mission out to South by Southwest in Austin, Texas on 11 March. We have 38 companies from film, TV, digital media and music going out, and four of our local bands are going out to showcase to the international sector. For example, Twitter and Facebook launched at it. Bruce Springsteen is doing the keynote speech this year at the music festival, and Bob Geldof did it last year. We have an exhibition stand for the week and, as I said, 38 companies, and that is collaborative between DCAL, Invest NI and the Digital Derry side of things. We have been leading on it for the past four years; this is our fifth year doing it. We always have political representation; we have had ministerial representation from DCAL through Edwin Poots, and Minister McCausland was out with us for the past two years, as well as the NI Bureau.

We have had a lot of political support, which has been great for the music side of things. That has led to some more local stuff. We did Belfast Music Week and 'MTV Presents' in 2010, which was our first music week and our first relationship with MTV as part of a three-year bid. Last year, we did a small project called the European Music Awards (EMAs) and Belfast Music Week, which was a great coup for the city. My responsibility was not so much the EMAs, although we were part of the bid. It did not really do much for the creative industries sector. Belfast Music Week was specifically for the creative industries sector. It had workshops and international music supervisors and licensing and publishing companies, giving local bands the opportunity to perform and to make money off their performances. This year, we are coming to end of the third year of that relationship. MTV will be back on a tentative date of 13 April to perform a world stage event as part of Titanic Belfast, which is one of our tourism projects. The sector has requested that we look at doing a Belfast Music Week, probably around the same time this year, the week of 5 November, and we are looking at that. We want to do a lot more with our focus on music, because that provides a very good return on investment.

Those are the key sectors. In respect of where we are at the minute, we just came to an end in December. We raised a quarter of a million each year. We delivered 30 projects, raised over £6 million of new investment from local companies involved in those areas and created 35 new jobs. We are in the process of evaluating that. We have commissioned new research, to be finished by the end of March, on our new creative industries strategy, which will basically set out the strategic direction for where the council wants to take the creative sector. We have a blank piece of paper, but it could be a lot of focus on music and film and look at where we add value to current interventions. A lot of it will involve partnership working, as well. We work very closely with anyone involved in NI Screen, Creative and Cultural Skills, Skillset, the universities and the colleges. So we will wait to see what it tells us. Again, I think it is very much going to be around the areas of wealth creation, IP and jobs. It is about money. That is as simple as we can put it. It is about making money and helping companies to exploit their intellectual property internationally. It is not about selling locally. There is very much an international focus.

Changes are going to be in the investment package. The council is investing £150 million in a whole new range of interventions, and the creative industries have been prioritised in that investment

package. We are looking at a £4 million digital hub, which will be a physical infrastructure to help to house creative companies in the early stages of development and to attract foreign direct investment (FDI). We have to finish a bid today for funding of between £10 million and £15 million and have that with DCMS in London tomorrow. The money is for the urban broadband fund, which aims to provide ultra-fast and super-fast broadband connectivity to every business in Belfast and to provide a wireless connection to help with tourism and FDI for people coming into Belfast. That will help the digital content side of things, cloud computing and the film industry, with real-time editing and trying to do more post-production here, and things like the Paint Hall and new sound stages.

Finally, the council is working to bring together economic development and tourism by looking at new funding models, investment models and business models for sectors that we do not currently look at — things like theatre, which is potentially very much like film and has the potential to exploit its IP in the same way as film, yet we do absolutely none of that in Belfast. We are looking at companies such as the very successful Kabosh, and trying to take its film models and tours and stuff to a model where we can sell the IP to cities such as New York, San Francisco, Sydney or wherever.

In closing, we are waiting for the research to come back. However, the creative industries have been adopted as a very high-priority area for us. It is about wealth creation, job creation, the attractiveness of the city and FDI for the city. We have carved out a niche for ourselves in that 99% of the sector comprises small companies. The problem is that a lot of people are doing bits and pieces in the sector but that is not for the majority of the sector. A few very big companies get a lot of the support and work. The way we see it, the economic stability will be where the main cluster of companies are, because small companies are not allowed to or cannot avail themselves of the current levels of support. They do not have three-year accounts. Musicians are not VAT registered, so although they may sell £1 million of stuff, no one knows what they are actually worth. It is about trying to get to a level where we can represent the people and the companies on our doorstep. I think that Belfast is well positioned to do that because of the critical mass of companies we have. Over 1,500 companies in Belfast are operating in the four areas that I mentioned. Again, the research and the sector will tell us what they want, and that is what we will deliver.

The Chairperson: Thank you very much. You have shared a lot of information with us this morning. You are obviously very enthusiastic, and we welcome that. Thank you for not only the presentation but your paper, which is very detailed. In highlighting Creative London in your paper, you asked whether there should be a Creative Belfast, and I will put that question to you.

Mr McGoran: Part of me thinks, "Yes". Then I am immediately thrown back to the time when we had — I am not sure whether you remember this — the creativity seed fund, which came from DCAL in around 2000. Part of that involved the centre of creative enterprise at Queen's, which Paul Jeffcutt headed up. I think that that was probably the first research done on the creative industries sector to look at where the value would be.

As part of that, there was Creative Northern Ireland, which was basically a website, supposedly representing the sector. It was all architecture, advertising and things like that. It did not do anything but that; it was a website. Something that represented the sector was done so half-heartedly, and, back then, I was a member of the sector. I was still working in film and TV, and it did not represent me or 99% of the companies that were there.

Creative London was a body that knew what the sector wanted, was from the sector and was knowledgeable of it, and some of the interventions in places such as New York, San Francisco and Singapore have had a Creative London structure. That can only be good. I can do my job well only because I know how to write a business plan and exploit IP and because I know what a musician needs to do, on top of my working in a public sector organisation. Creative London did that very well.

We could look at the model used by Creative Scotland. Places such as Dundee and Edinburgh were doing better about four years ago, when Dundee was working specifically on its own as a mini Creative London. It has to have the right people, and the sector must drive it and be behind it. I will always come back to the point that it has to be driven by the private sector; it has to meet the private sector's needs, and it will not work if it does not. The private sector needs to be involved in some shape. If it is led by and driven by the private sector for the private sector, it will work. Something specific is

needed for that, considering what I have just mentioned. We work with Northern Ireland Screen, Invest NI, DCAL and Creative and Cultural Skills. We will work with seven or eight organisations on seven or eight different things. Some of that is not in collaboration, so there could be issues regarding the effectiveness of the delivery.

Part of me says that that would work, if the sector wanted it. I am not sure whether it could work Northern Ireland-wide. There is a case for it working in Belfast, because we have the critical mass, and it is about having companies on your doorstep. Every day, companies walk in to ask for my help on something and ask me where they should go, and we make ourselves available for that. I am not sure whether having one central office for Northern Ireland, like they did in London, would work. Possibly.

The Chairperson: You have highlighted, as many of our respondents have, the fact that one of the issues around the sector is that it is very much sole traders and individuals. That is where the creative talent is, and perhaps they do not have the entrepreneurial skills to go with that, and they can often be diverted in trying to access funding and so on, which takes them away from their creative base. How responsive have others in the business sector been in assisting the creative sector?

Mr McGoran: Banks used to be very good. Basically it is overdrafts. Your house has to go up, and it is all about your financial investment. If you are trying to raise money for, say, NI Screen or for creative media projects through Europe, you need to provide a certain degree of match funding. Where do you get that? Basically, through bank loans, small business loans and so on. The banks were very good, but not any more. That has been a major issue for a lot of the sector. We have tried to say that we will go for pure private investment. There are IP models and models that, here, have been predominantly focused on software and biomedical. A video game makes more money than some biomedical devices. Similarly, a feature film with a lot of IP attached to it as regards product, such as books and toys, will make a lot more money than a software product. Trying to get investment, business angels and people like that, has been tricky.

Law has been a major problem. In the past year, it has started to be good in that we have had a lot of pro bono work and, for a change, some competition. We had no competition in law before, which has been a really disastrous part of the sector. For example, if I apply for money to make a feature film, I need a legal agreement to get the money. The person who does NI Screen's legal work is the one who understands entertainment law. I have to go to London and employ an entertainment lawyer there to do the same thing. We now have a few other solicitors who are specialising in that, and companies that I have been working with have been doing work for free. Private sector investment in that and an understanding of the potential value of that has been good. It goes right down to other private sector investments, such as landlords. A landlord gave me a building for free to house 17 companies. That is brilliant. He just wants to cover his rates. The housing market is not good at the minute, so, rather than try to sell a building at a loss, he turns it into a creative hub. It has a studio and 17 companies doing everything from comedy writing to jewellery making to iPhone development. That is one good example of how the private sector helps.

The Chairperson: Do you have examples of that in practice?

Mr McGoran: The Blick studio is our project. We approached the landlord who owned the property. He was a business angel. We said that we would give the building a lick of paint, put photocopiers in and make sure that it was connected. There are 16 companies housed in it now. It is at 51 Malone Road, down by the Bot. It is providing companies with the chance to spread the costs of rent. Rather than pay £2,000 a month rent, 10 companies can pay £200 each. The money that they save can be put back into the product, which they need to develop and on which they are not getting a return. You do not get a return on a feature film until it is made and, hopefully, sold. It is the same with video games, a piece of music, a piece of jewellery, a piece of fashion. It is about how we take the risk away and allow creatives to develop something, which, potentially, can make money.

The sector has been good. The key private sector intervention that we need is better now than what it was two years ago. That is in light of the downturn. I would say that the downturn has had a positive effect on it.

Mr Hilditch: Thank you for your robust presentation, Brendan. You had a lot of detail. You mentioned the incubation strategy side of things and looking for a return on investment. Will you tell us a wee bit more about that? Is there a partnership with any of the universities or third-level education providers?

Mr McGoran: The incubation side came up in about 2004 or 2005, and it was linked in with the University of Ulster. We had been working with a great organisation that used to be based here. It was a great organisation called NESTA, the National Endowment for Science, Technology and the Arts. It invested a lot of money in the convergence of science, the arts and technology, which is, basically, things like mobile apps.

We had done a project called Inside Out, which provided a team of six students with the opportunity to take a creative idea and get financial investment from NESTA. It came from the university. Companies were given a maximum of £35,000, and then the grants were broken down into smaller amounts of £5,000 and £4,000 for their business plans. We were part of a steering group of banks and advisers on that. That was good. The students had the money, but it was not going to help them if they were working out of their bedrooms or if they were going to spend £30,000 of their money on expensive rent, when they had not developed their product. It is coming back to where you take the risk off the development of the product.

Part of our remit was to provide the space. We had looked at council assets, and, at that point, there were no suitable assets. We had looked at the Laganside properties. I am sure you will remember Laganside Corporation, which did a lot of stuff in the Cathedral Quarter. There was the managed workspace opposite the 'Belfast Telegraph' office, and Cotton Court, which is opposite the Merchant Hotel. We thought that those properties would fall into our jurisdiction. Having seen the Laganside Corporation properties, we thought they were perfect and that we would turn them into incubation. We looked at long-term leases and 30-year leases, as we had done with the Gasworks site and the Ormeau business park, where incentives were offered. That never happened, unfortunately; it went straight to private ownership. We looked at a few other assets on Castle Street, but the landlord took those off the table. Then we looked at the science park, but people there said that we could go into a Portakabin; we said no.

The incubation was linked specifically to the university, and there were six new business starts. They were entrepreneurs; they had money in their back pockets; they had their bank finance; they had their private finance. They needed incubation space where they could share their ideas, share the services and try to reduce the risks and costs by doing stuff together.

One of the people on our panel was from a venture capital organisation. She wanted to do something in the creative sphere, but the laws that she was governed by did not let her company venture into creative and cultural companies. Her boss had buildings, said that incubation was a great idea, asked what they could do to help us and gave us the building. Blick studio started as being a spin-out from the university. We had looked at Queen's as well. We looked at the sonic arts research centre and some of the engineering and games courses they are doing. Queen's have not really taken that any further.

We are mindful of it. We are working on two projects. One is an accelerator programme with Invest Northern Ireland. We are looking at how we can populate empty buildings out there at the minute with new start-up companies or existing small businesses. We are also looking at where we can have a hub or some incubation space at the University of Ulster in the Cathedral Quarter, which is the key area for us, as part of its £22 million or £23 million redevelopment.

Politically, we have been in meetings and discussions about Crumlin Road jail. That is not to say that something will happen there. A lot of feasibility work obviously needs to be done on the hub idea. The incubation side of things is still a top priority for the council. In our investment strategy, which we launched last week, we allocated £4 million for a digital hub — I prefer to call it a creative hub, rather than just focus on digital companies. It is about how that links in with the regeneration of certain areas of Belfast and with students, graduates and existing small businesses out there. It is vital that incubation space is there for the sector, because it works. We just need to look at models for how that works to ensure the long-term sustainability of it. It should never be publicly funded. There should be an exit for whoever kicks it off and an exit for all the companies who go into it, making sure there is

that throughput. Potentially, there is a very good opportunity for a public-private partnership, and that is probably what we would look at in respect of the incubation strategy.

Mr Irwin: I apologise for missing part of your presentation. One of the key challenges and barriers is access to funding. I understand that this is a risky business. Is there anything that you can do to help in that regard?

Mr McGoran: We are looking at that. On the funding thing, again going back to when I started in 2004, the main goal was to try to get every company in the creative sector to not be reliant on grant funding, because that is not stable for an economy. People who have business plans that include £30,000, £40,000 or £100,000 grants that they think they might get is risky in itself. Other models are vital. I still think that funding is key. Obviously, we have things like the creative industries innovation fund (CIIF), which is in its second phase. They are good interventions, if they are done right. However, I do not necessarily agree that they are done right. For example, you cannot pay salary out of one of them, so a musician or a film-maker could not pay himself to do what he is good at because he is not allowed, and a good guitar player would have to employ someone else to play guitar on something. To me, that does not make sense.

When CIIF came out, I was quite adamant — and I still am — about the fact that it has to be attached to investment. If you get £20,000 of funding, get a mentor or someone with an investment or financial background to help you turn that £20,000 into £40,000. The funder will be happy, because they will double their money and see a financial return on their investment, and the company will be happy because they will make an extra £20,000, based on the initial £20,000 it had. To me, that is a very simple model, especially for this sector, that has never been adopted. We are looking at going into that, if possible. At the minute, the council is not allowed to do it. We cannot invest in companies. We are not allowed to give individual companies financial support. As I said, we raise 50% of our money from other sources. We are looking at ERDF funding, where there is potential product development finance. We have a £4 million bid in with INTERREG. However, that went in to the Special EU Programmes Body (SEUPB) in 2007, and there is still no decision on that. From my point of view, that is a waste of money.

We are looking at a model with our culture and arts unit, which I mentioned earlier, because it can give money out and has a rolling programme for festival funding and grants. So we are looking at whether we can have a smaller risk fund, an innovation fund or something like that to help us do something. It would not involve large amounts of money. I will give you some examples. Two grand was needed to close the Terri Hooley movie 'Good Vibrations'. We could not give it that. Two grand to close £1 million of finance would have been a good investment on our part, but we were not allowed to do it. A band were asked to go to Singapore to sign a £250,000 deal with Warner Brothers. They needed £800 to get a flight. We could not give them that. The current interventions could not give them that, because a band is not an Invest NI client company, so Invest NI could not put it down as a trade mission, and we could do it because they are an individual organisation.

One of the things that I am pushing for in our new strategy and lobbying for is — the council has mentioned this — micro-funding. It is about looking at how, legally, we can do something on that. I am looking at potential ERDF finance for it. We could do an investment programme with 50% of our money as the business planning, networking, facilitation and the business angle of it and use ERDF finance, if allowed, for the physical investment as part of that programme. It is about looking at a new model of doing it, not calling it anywhere near a grant or free money. It is an investment that needs a return, and that is vital for the sector. For us to be taken seriously as a sector, it needs to be considered that way.

The Chairperson: You mentioned your strategy, which is in development. When will it be finalised?

Mr McGoran: It should be finished at the end of March. We have done a full independent evaluation of everything that we have done in the past three years, including how our return on investment has come back, what we have put our money into and what the sector has thought of it. It is basically a consultation with the sector. After the evaluation, we will look at the strategic direction of where we should go and what we should do, if anything. Should we continue to look at the key sectors of film, design and music? On the back of that, we will produce the action plan and road map to take us to

2015. We will look at what interventions we should do. If 90% of the companies were to want small financial investments to take them to international markets such as San Francisco, New York or wherever, we would try to meet that demand. We hope to produce that document by the end of March. We will then consult a focus group on it and take it to the development committee and then the council for ratification. Bids and funding will probably be raised from May.

The Chairperson: Have you been working with the Department on its framework?

Mr McGoran: Which Department?

The Chairperson: DCAL.

Mr McGoran: We work closely with Stephen McGowan in DCAL, and we have a meeting with Carál next week to discuss where our creative industries agenda can fit in and where it does fit in. It also needs to fit in with the Department of Enterprise, Trade and Investment (DETI), because of the economic side of things, and the Department for Employment and Learning (DEL), because of skills. The sector skills councils are important, and it has just been announced that they have got significantly more funding in the UK. Creative and Cultural Skills and Skillset are the most relevant ones that we work with. It comes back to what I said at the beginning; it is very fragmented when you look at who you have to work with. Having one body to oversee that might be the way to go.

Mr D Bradley: Morning, Brendan, and thanks very much for your presentation. I noticed from your paper that you started off with quite a broad definition of the creative industries, which included arts and crafts, and that you have narrowed that down to your four priorities: film, digital, music and design. Presumably, that is because you thought that you could maximise the return on your investment in those areas. To what extent has your investment been realised in job creation?

Mr McGoran: We work in three-year periods. Jobs is a very hard one, and we always try to say that we will not hang ourselves on jobs. I reckon that we have created between 35 and 40 jobs, including new companies. Money is more important to me, and the key is to see that, if we put in £250,000, we raise £5 million. We measure it by small companies that can pay themselves well and invest in new products themselves without having to apply for funding but also on putting people into jobs. The job thing has been weird. In fact, we have probably created 50 jobs. Those jobs have not necessarily been for other creative staff. The point that needs to be highlighted, and which was touched on at the beginning, is that, when we provide skills projects, we are not trying to turn really good animators or musicians into the best businesspeople in the world. First, they may not want to be, and, secondly, you may not succeed in doing that.

Between 2004 and 2006, when we were doing a project with arts and business and the University of Ulster, the realisation came out that, if a creative organisation or a creative company understands the importance of the business side of things, that will give them the opportunity to employ someone from that background to do it. More of those 40 or 50 jobs are probably from the business management side of things. Let the creatives get on with what they want to do, and put people into work who understand how to raise finance. A good example is Sixteen South, which has employed a full-time accountant. That is a lot of money, but they have the product, and they realise the importance of, potentially, having two full-time accountants on their books. It is those types of jobs that I would like to highlight. It is not necessarily putting creative people into creative jobs; it is putting people into jobs. It is about putting businesspeople who want to diversify into jobs. Perhaps it is people who have entertainment law or who have a good background in finance, specifically for film or TV, which is a very different financial model than construction or medical. When we whittled those down, it was not for us to say that we need a return on an investment. We looked at other sectors and at where the demand was, and we looked at where enough support was being given and we did not need to intervene.

The area of jobs is a tough one. We always have a job creation element. That might be getting people who have been made redundant to start up their own business. We tackled that last year. We did one project that put 10 people into jobs. It was a start-up business programme for people who either were out of university or had been made redundant and wanted a change of career. We got people into jobs in film-making or scriptwriting, as runners or costume designers, and right down to pool manufacturing. We got those people on to film projects. It is important, but it is tricky. It is not as easy as saying,

"Let's put 100 people into jobs"; it is a lot more difficult than that. I think that we have done pretty well, particularly in this sector.

Mr D Bradley: Quite a few agencies, Departments, etc are involved in the creative industries. Obviously, DETI is involved, and DCAL has an emerging strategy and framework. How can you ensure that you are not duplicating what other agencies are doing?

Mr McGoran: That is where we have to research. Our research will look at where we fit in. We liaise with all of the Departments and look at where there are gaps. We know where the sector wants to go, and the sector tells us where that is. I am critical of other organisations that support creative industries but have not liaised with the sector or asked the sector what it wants. The council is lucky to do stuff where the demand is, but where a lot of the demand is not seen. Film and TV, for example, are great. It is great to have HBO here. There are great feature films coming into Belfast. What is that doing for the indigenous film and TV sector? Nothing. They are not employed on those projects. It is architects, craft makers and Americans. It is great that they are spending money in the economy, but it is not supporting our indigenous film and TV sector. It is not getting our product out into the world for them to make money.

We ask DETI and DCAL where they want us to add value. We ask them where we can fit in and where they see the role of the council. If they do not see a role, we will go ahead and do it anyway, because our demand and our evidence base are there. The sector is telling us what it wants. We can only do what we have the power to do. We cannot do everything. We do not deliver 100% for the sector. We never will, unless there is a total change in policy and governance. We do our best.

We have to work closely with DETI through the ERDF, so DETI will be fully aware of the types of things we are doing. Similarly, we have a very close relationship with the Minister of Culture, Arts and Leisure and Stephen. We also have a close relationship with DEL. I sit on two of the sector skills boards to make sure that the skills agenda and the skill needs that DEL are buying into from the sector skills council are fit for purpose for private sector employment. Those partnerships are essential. We go out and do our own consultation, and through our chief executive and other elected members.

Mr D Bradley: In part 3 of your paper you mention your objective to investigate whether particular gaps exist in current policies, and so on. You also mention legislative developments. You said that one of the problems that you face is that the council is not legally able to give small grants. You mentioned a band that you could not help. Are there any possible changes in the law that might facilitate the growth and development of the creative industries?

Mr McGoran: Corporation tax is obviously one potential opportunity for the sector in general. However, I have not seen any proposals for changing the policy for us to get money out. We are looking at that issue through ERDF finance and areas like that.

As regards mainstream law and legislation, you have tax incentives, which are OK. That is something that, again, in an ideal world, we would like to see changed, because we are competing with Canada. Ninety-nine per cent of feature films and 99% of kid's television programmes are co-produced in Canada because of its tax incentives, whereby you get 80% of your tax back. We will never compete with that. Most of what kids watch is made in Canada. Hollywood has gone the same way and so is the video game industry. Before the coalition got in, TIGA was about to get the same tax incentives in the UK for video game development, including everything from the iPhone, the iPad and web-based material to AAA-type stuff and the console market. That has gone. That had the potential to be a really good opportunity for us to do something interesting in the whole game side of things, which again is a massive industry and converges with film, music and stuff. So we would like to see some form of —

Mr D Bradley: Where has that gone to?

Mr McGoran: That just stopped; it was wiped out. The Film Council and the tax incentive for video games just went. It is gone; we are not looking at that. Again, this is more than just a Belfast/Northern Ireland issue; it is a UK issue.

Hollywood is not Hollywood. It used to lose out to Vancouver, and now pretty much everything is done in Toronto. Toronto is now a hub for video games, films and TV shows. If you look at the credits at the

end of a TV show now, you will see the line, "Supported by the Canadian Government", because the tax incentive regime there is just perfect. I know that the House of Representatives in the US is trying to address that, and the mayor's office in New York has been very instrumental in doing so. We have been working with the mayor's office in New York on film and TV and are looking at putting in place memorandums of understanding (MOUs) to work with it more closely.

We are doing interesting work in Silicon Valley and LA. I am not sure whether you remember that, as part of the MTV bid, we brought the Irish Technology Leadership Group over here as part of the Hollywood Comes to Belfast event, and the First Minister and deputy First Minister went over for the Belfast Goes to Hollywood event last March, I think. We had the CEO of DreamWorks and some big games companies over in Belfast. The council is about to sign an MOU with the Irish Technology Leadership Group, which is based in Silicon Valley, specifically for the entertainment side. We are not talking about high-tech software such as Facebook. We are talking about feature films, games, mobile content and app development. We are looking at how we can work collaboratively to get some of that work back. If there were to be a Belfast and LA co-production instead of a Belfast and Canada co-production, we could keep more of our money here.

There is a lot of talk about there being great tax incentives here, but I do not think that there are. I do think that they are anywhere near what they should be. Never mind trying to change that policy, I think that we need to pull ourselves back, because we are still losing a lot of the stuff that is coming here, and when I say "here" I mean the UK. That work is going to Singapore and China. We could have taken a lot of the Harry Potter work, but we had no staff and no capability to do that, so it went off to Singapore. A lot of high-end animation and visual effects stuff — for example, 'Transformers' came here, but we could not deliver, so it went off that way as well. We also need to make sure that we are in a position to benefit from investment coming into London. All that legislation is a few pay scales above me. However, that is basically where we are at, and we are not doing a very good job of it.

Mr D Bradley: Did that work go to the Far East because there are better tax incentives there?

Mr McGoran: Yes; it was because of the cost and tax incentives. Lucasfilm, for example, had been looking to set up a new 3D operation, although I do not think that that actually worked.

Mr D Bradley: So you are basically saying that the tax regime here is not helping the industry's development.

Mr McGoran: It helps to a small extent, but we have to look at where we want to go. If we want to be taken seriously in film, we need to be competing with the likes of Canada. We cannot have — dare I say it — the likes of 'In the Night Garden', which is a kids' TV show, being produced in Canada for a UK audience. That is not helping the UK industry or our industry.

It is not going to kick off our animation industry if we invest heavily in animation in universities and small businesses, yet all of the work goes elsewhere because of the tax incentives. Why invest in that stuff if the business is not there? It is chicken and egg, but we need to be more robust and get quite aggressive on that.

Mr D Bradley: Is there a danger that the people we skill up in those areas will go in that direction as well?

Mr McGoran: That is where they are. There is one person from Northern Ireland in every single visual effects and games house in the world, yet we do not have a sector here. That is quite frightening. One of my best mates is director of Rockstar Games, which produced Grand Theft Auto and lots of other R-rated games. It is one of the four most successful video game companies. Would he come back here? No. Why? Because there is no infrastructure for him. There are no other companies doing that. There are no incentives for him to do that. I am not talking about handouts; it is just that there is no infrastructure as regards education.

I said University of Ulster, and mentioned that we have Greg Maguire, who came back. That comes back to your point about the private sector. Greg worked for Lucasfilm, Lucasarts and Industrial Light and Magic, three of the biggest companies, which made 'Star Wars'. He got an Oscar for 'Happy Feet'

and did all of that type of stuff. He moved back here because he wanted to bring his kids up where his kids go to school. He has a company and was offered lots of work, but could not employ the people to deliver the work for him, so he lobbied, and he is now a lecturer in the University of Ulster teaching Maya, so he can make sure that students come out with the right 3D technology so that we can accept really high-level, 3D, glossy animation work like 'Star Wars', 'Transformers', 'Shrek' and 'Toy Story'. That is him. He is one champion of that — one very small person — but he knows the industry. They are everywhere. If you go to any major movie studio or games company there will be a Northern Irish person. Phil Campbell is another one. He is one of the top game designers in the world and he is from the Cregagh Road, I think, but he does not live here any more.

That is a very good point, because it also highlights the diaspora. How do we get people back? We are now starting to see some people come back because of films. The MTV thing was great, because we saw a lot of people from the music industry and record labels. That whole industry has changed, because it is all digital and it is not dominated by big record companies now — brilliant. Some of the biggest names, like people who have produced Madonna stuff, are from here, but they do not live here. Now there is a chance to bring them back through digital infrastructure, communications and events such as that. That is another challenge — getting people back here.

Mr D Bradley: Thanks, Brendan.

The Chairperson: Thank you. Obviously you have a wealth of experience now through the council and with your own background. Have you been supporting and sharing that experience with other councils?

Mr McGoran: Yes. We have Councils of the Metropolitan Area (COMET), and have put an INTERREG bid in. In 2007 we did an infrastructure and incubation project with North Down Borough Council. North Down has a cool little collective of creative industries, including graphic design, some games companies and some musicians, but, unlike us, has no local economic development strategy specifically focusing on the creative industries, so we thought we would put a Comet bid in. We led that bid, along with Carrickfergus, Newtownabbey, Lisburn, North Down and Castlereagh. We work on a cross-border basis, so we worked with Sligo Institute of Technology and Donegal County Council as well as the Western Development Commission, which is cross-border and has a great creative industries strategy, to put the bid in.

That bid for £4 million went in in 2007. It took a year after that for it to be appraised and for us to be told by Invest NI that there was too much incubation provision and that councils should not go anywhere near incubation because the private sector was delivering enough of that. We fought that for around another six months. The private sector interventions were things like Regus and Premier Business. That is not incubation, but it was determined that it was, so we binned that. SEUPB asked us to put another bid in, so we developed a project, which we take the lead on, called the Creative Enterprise and Education Development (CEED) programme for all councils in the COMET area and Sligo. The programme was to look at business development programmes for small business and business start programmes for new business start-ups, so, over three years, about 60 existing companies would be supported and 30 new businesses would be created.

We would invest close to £1 million in product development, £15,000 for SMEs, £5,000 per SME and £5,000 per new start-up business coming out of university. We would also have some form of lobbying function, called a CEED summit, which would take place twice a year. Through that, we would try to get senior government, education and the private sector in a room to try to form a collective policy that would really drive forward the creative agenda, with the private sector at the heart of that. I submitted that in 2008, and in 2012 it has still not gone to the board. It says that we may not be allowed to give money out now as part of the bid, which is the focus of it, and it wants to look at duplication with other things that are out there.

The Chairperson: Do you go outside of your collaboration with those particular councils and share your experiences?

Mr McGoran: We do some stuff with Derry City Council. Before it did its Digital Derry strategy, we were working with Matt Peachey to look at collaborative bids through the ERDF. We do not go out strategically and say, "You need to do this". We have been asked. We have been the most successful

council. I am not just saying that; we scored the highest in our ERDF bids specifically for the creative industries work under the competitiveness programmes. It is all about entrepreneurship, creativity, skills development, wealth creation and all that type of stuff. A lot of the council bids were not getting through ERDF finance, so a lot of councils came to us to look at our bid and at the types of things that we were doing. The CEED region put in an ERDF bid, and Invest NI had a bid or two bids a day fall on our desk through the new European structural funds. We are not going out and preaching the word of the creative industries; we just fire them our application, which they rip off and submit. If that helps other councils, we are doing that.

The Chairperson: In a roundabout way.

Mr McGoran: In a roundabout way. We would like to see more of a joined-up approach. We are working closely with Derry City Council on South by Southwest this year, and we supported its bid to be City of Culture in 2013. With our Titanic stuff, we will be doing a lot of work to support that. Again, it is where the councils are. There is still COMET. Lisburn has a great network of creative stuff, as does Bangor and north Down. This place is quite small, and, although I am paid to be Belfast-centric, if we are trying to make more of an impact, we have to, as far as we are allowed, work together to ensure that the sector is supported and benefits from as much of what is going on as possible. The MTV awards and Belfast Music Week was a good example of that, and, potentially, the Titanic commemorations and South by Southwest will be good.

The Chairperson: Thank you very much. There is no denying that you are enthusiastic about what you do, and you are obviously very successful at it. Thank you very much for coming.

Mr McGoran: Thank you very much; thank you for the opportunity to talk.