

Committee for Culture, Arts & Leisure

Inquiry on Maximising the Potential of the Creative Industries Volume One

**Together with the Minutes of Proceedings of the Committee
relating to the Report and the Minutes of Evidence**

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**REPORT EMBARGOED
UNTIL COMMENCEMENT OF
THE DEBATE IN PLENARY**

Membership and Powers

Powers

The Committee for Culture, Arts and Leisure is a Statutory Departmental Committee established in accordance with paragraphs 8 and 9 of the Belfast Agreement, Section 29 of the Northern Ireland Act 1998 and under Assembly Standing Order 48. The Committee has a scrutiny, policy development and consultation role with respect to the Minister of Culture, Arts and Leisure and has a role in the initiation, consideration and development of legislation.

The Committee has the power to:

- Consider and advise on Departmental budgets and annual plans in the context of the overall budget allocation;
- Approve relevant secondary legislation and take the Committee Stage of the primary legislation;
- Call for persons and papers;
- Initiate inquiries and make reports; and
- Consider and advise on matters brought to the Committee by the Minister of Culture, Arts and Leisure.

Membership

The Committee has 11 members, including a Chairperson and Deputy Chairperson, with a quorum of five members.

The current membership of the Committee is as follows:

Committee Chairperson: Michelle McIlveen

Deputy Chairperson: William Irwin

David Hilditch

William Humphrey¹

Oliver McMullan²

Cathal Ó hOisín

Rosie McCorley³

Karen McKeivitt

Dominic Bradley

Robin Swann

Michael McGimpsey

1 With effect from 01 October 2012 Mr William Humphrey replaced Mrs Brenda Hale

2 With effect from 12 September 2011 Mr Oliver McMullan replaced Mr Gerry Kelly

3 With effect from 10 September 2012 Ms Rosie McCorley replaced Mr Pat Sheehan

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List of Abbreviations used in the Report

A&BNI	Arts and Business Northern Ireland
ABC	Arts/Business Commission
ACNI	Arts Council of Northern Ireland
AFTNI	Association of Film and Television Northern Ireland
BBC NI	British Broadcasting Corporation Northern Ireland
BCC	Belfast City Council
BMC	Belfast Metropolitan College
CAE	Culture Action Europe
CAFRE	College of Agriculture, Food and Rural Enterprise
CAP	Community Arts Partnership
CARL	Computer Animation Research Laboratory
CBI	Confederation of British Industry
CCEA	Council for Curriculum Examinations and Assessment
CCI	Creative and Cultural Industries
CCS	Creative and Cultural Skills
CIIF	Creative Industries Innovation Fund
COSLA	Convention of Scottish Local Authorities
CPD	Continuing Professional Development
DARD	Department of Agriculture and Rural Development
DCAL	Department of Culture, Arts and Leisure
DCMS	Department for Culture, Media and Sport
DE	Department of Education
DEL	Department for Employment and Learning
DETI	Department of Enterprise, Trade and Investment
ESA	Education and Skills Authority
ESF	European Social Fund
EU	European Union
FE	Further Education
FLGA	Forum for Local Government and the Arts
GCSE	General Certificate of Secondary Education
GLA	Greater London Authority

GVA	Gross Value Added
HE	Higher Education
ICT	Information and Communications Technology
ILBF	Irish Language Broadcast Fund
IOD	Institute of Directors
IP	Intellectual Property
KTP	Knowledge Transfer Partnerships
LDA	London Development Agency
LED	London Economic Development
LINI	Landscape Institute Northern Ireland
NESTA	National Endowment for Science, Technology and the Arts
NIDA	Northern Ireland Design Alliance
NILGA	Northern Ireland Local Government Association
NIMC	Northern Ireland Museums Council
NIMIC	Northern Ireland Music Industry Commission
NIPR	Northern Ireland Publications Resource
NITA	Northern Ireland Theatre Association
NITB	Northern Ireland Tourist Board
NMNI	National Museums Northern Ireland
OECD	Organisation for Economic Co-operation and Development
PATLIB UK	Patent Information Centre
PSB	Public Service Broadcasting
R&D	Research and Development
RDA	Regional Development Agencies
RPA	Review of Public Administration
SCIP	Scottish Creative Industries Partnership
SEED	South Eastern Economic Development
SME	Small and Medium Sized Enterprises
SROI	Social Return on Investment
SSC	Sectoral Skills Council
STEM	Science, Technology, Engineering and Mathematics
STEAM	Science, Technology, Engineering, Arts and Mathematics
TSB	Technology Strategy Board

USBF	Ulster Scots Broadcast Fund
UU	University of Ulster
VAT	Value Added Tax
WCBP	Weavers Court Business Park
WEA	Workers' Educational Association

Executive Summary

At its meeting on 8th September 2011 the Committee for Culture, Arts and Leisure ('the Committee') agreed to conduct an Inquiry into the Creative Industries. The Committee has taken an interest in this issue for some time; however, the stimulus for the Inquiry was a briefing by Assembly Research and Information Services which highlighted the current context within which the Creative Industries here operate, including recent policy developments, an analysis of government strategies and the key challenges facing the sector.

The Committee finalised the objective and terms of reference for the Inquiry at its meeting on 13th October 2011, with the key focus being maximising the potential and benefits of the Creative Industries in Northern Ireland, with a particular focus on the economic benefits. On 1st December 2011, the Department of Culture, Arts and Leisure ('the Department') advised the Committee that the outcome of its Inquiry would help to shape the Department's draft *Collaborative Framework to Support the Creative Industries*. During the compilation of this Inquiry report there have been further developments regarding the Creative Industries and the Committee has endeavoured to reflect these within the report.

At the core of this Inquiry the Committee asked two key questions: "Why are the Creative Industries in Northern Ireland not fulfilling their potential? What can be done to facilitate the development of and capitalisation on this potential?" The answers to these questions are at the heart of the recommendations that the Committee has made as part of this report. Answers that the Committee heard from stakeholders were not unexpected and centred on a clearer branding for the Creative Industries and greater co-ordination of the support that is available to them.

The key evidence captured in this Inquiry report identifies the potential of the creative industries in Northern Ireland, with particular emphasis on the economic benefits, and also highlights the key challenges currently facing the sector. The Committee also sought to find gaps existing in current policies, strategies and delivery mechanisms, in areas including financial support, training and skills development, accessing international markets, making the most of the programmes and funding available from the European Union. Additionally the Committee has highlighted how better networking locally, regionally, nationally and internationally, as well as better co-operation and collaboration amongst the key stakeholders, could facilitate the further development of the Creative Industries here.

The Committee also believes that Northern Ireland's Creative Industries need to be better mapped and measured against those of neighbouring jurisdictions, with a particular emphasis on seeking lessons that can be learned from the experience of those other regions and the encouragement of continued co-operation and joint delivery, as appropriate, with them. The Committee also went to considerable lengths to seek inputs from all of the sub-sectors of the Creative Industries and Members have made constructive recommendations to support these sub-sectors.

Throughout this Inquiry the Committee has maintained the belief that there is considerable potential for the Creative Industries to contribute not only to the economy of Northern Ireland, but also to the development of **all** our people, as well as our schools, our colleges and our universities. That remains the view of Members and their hope is that the recommendations made in this Inquiry will be welcomed and acted upon by all the relevant stakeholders, not least the Minister and her Department. There is much that the Committee found worthy of commendation in the Department's approach to the Creative Industries and that of other key stakeholders, and it is Members' intention that this Inquiry should be used to refine and improve the situation of the Creative Industries here.

In this Inquiry report the Committee has illustrated its awareness of the close economic relationship between the Creative Industries and other sectors including tourism, hospitality, museums and galleries, heritage and sport, and the social economy and community and

voluntary sectors. As a result of these links the Committee has been very specific in calling for increased co-operation between Executive Departments, their arms-length bodies, agencies etc., and local government, industry, educational bodies and the community and voluntary and social economy sectors. Members have emphasised the need for a joined-up approach towards Creative Industries with the provision of a clear identity and branding, as well as an understanding that the Department must raise its profile as the policy lead for the sector.

In addition to the significant economic potential of the Creative Industries, the Committee was also made very aware of the benefits to local communities and social cohesion that the Creative Industries provide and also their contribution to improving the health of our people. These aspects of the Creative Industries are less well publicised; however, the Committee was very keen to ensure that they are recognised and Members are very grateful to the witnesses who provided evidence to the Inquiry regarding this.

This Inquiry also reflects the many challenges and barriers that the Creative Industries here face, including: issues around inadequate collaboration and co-operation on many levels and between a multitude of key players and a lack of visibility for the sector; a host of financing, education, training and support and development issues, including a lack of mentoring opportunities and appropriate funding models; the effectiveness of the Creative Industries Innovation Fund; and problems involving bureaucracy and effective management of Intellectual Property rights.

Additionally, Members explored how the Creative Industries here could better utilise the many funds and programmes offered by the European Union (EU), as well as the networking and learning opportunities that it provides. The Committee is resolute in its aim to ensure that Northern Ireland derives significant benefits from the 'Creative Europe' programme and 'Horizon 2020'. The Committee expects the full support of the Minister and her Executive colleagues with respect to this aim.

With respect to the Department's draft *Collaborative Framework to Support the Creative Industries*, the Committee is clear in its view that it is **not** a strategy, with the Department highlighting that it was not intended to be, and arguing that a strategy is not what is required at present. The Department has stressed the need for a Framework that could be responsive and adaptive to support individual sub-sectors and the sector as a whole. The Committee heard evidence during this Inquiry to support the view that a 'one-size-fits-all' approach would not be appropriate for the Creative Industries here. In response, the Committee broadly welcomes the draft Framework with Members agreeing that it provides potential on which to build.

The Committee welcomes the Framework's proposal for a Ministerial Advisory Group, which would provide a forum for industry, government and academia to engage and work together in realising the potential of the Creative Industries and also welcomes the inclusion of industry representatives in this group and the industry-led sub-sector action teams. However, the Committee noted that the draft Framework does not specify in clear terms what role was to be played in the collaborative network by delivery bodies such as the Arts Council of Northern Ireland or NI Screen. The Committee was also disappointed that the Framework made comparatively little reference to interaction with the EU or North-South and East-West collaboration

Overall the Committee supports the Framework as a first step and welcomes the Department's intention to use this Inquiry to inform the Framework's movement from a draft to a final version.

Ultimately the Committee believes that the effective branding of Creative Industries in Northern Ireland would be a significant step forward. This would allow for the Department to make its leadership role clear. Members also consider that such a brand could be supported by Creative Industries 'champions' or 'heroes'. Members believe that this sort of approach to the Creative Industries here could allow the establishment of a single entry point to streamline support to the sector. The result could be improved collaboration across

all levels and branches of government, industry and academia and the provision of a 'one-stop-shop'/portal to deliver strategy, funding, advocacy, research and policy development. The Committee is also of the view that the development of creative quarters or hubs could contribute significantly to the establishment of a Creative Industries brand and would allow the development of spatial foci for the Creative Industries across Northern Ireland, in both urban and rural areas.

The Committee views bodies such as the Ulster Orchestra as key cultural assets and believes that they provide tremendous scope to perform an ambassadorial role for the Creative Industries here. Members believe that the proper fulfilment of this role requires, in the case of the orchestra, to have access to secure core funding. However, it also requires the orchestra and similar bodies to be supported by the Executive, Assembly and local government to develop imaginative plans to attract greater corporate sponsorship.

Certain issues came to light during the course of this Inquiry that are not within the Terms of Reference. These centre on opportunities within and access to the Creative Industries for disabled and vulnerable young people and adults and those with special needs and for Creative Industries to play a role in the development of skills and jobs in rural communities.

Members have become aware that the Creative Industries employ more disabled and vulnerable people and those with special needs than are employed within the economy generally. This suggests that the Creative Industries are already more open to and attuned to the needs of these groups. The Committee believes that this existing opportunity can be further developed to allow the inclusion of more disabled and vulnerable people and people with special needs in activities within this sector. It is clear that consideration needs to be given with respect to continuing to provide these opportunities and activities beyond school age, once young people have transitioned into various forms of day care provided in a range of centres. The Committee will urge the Minister to pursue this issue with relevant Executive colleagues.

The Committee has also come to realise that there is scope for the development of skills and employment in rural communities through the Creative Industries. Around 35% of Northern Ireland's population live in rural areas and it is important that their needs are considered in any major policy. The nature and scale of many of creative enterprises means that they can be established within rural communities. The Committee believes that there are significant opportunities for the development of the Creative Industries within the 'Urban/Rural Linkages' and 'Rural Economies' themes within the *Rural White Paper Action Plan*.

Additionally, the Committee believes that there are Department for Employment & Learning (DEL) action points within the Action Plan involving the development of skills relevant to the Creative Industries within rural communities. There is also scope for the inclusion of skills relevant to the Creative Industries to be incorporated into courses offered on the College of Agriculture, Food and Rural Enterprise (CAFRE) campuses; as well as potential alignment within some of the actions coming out of the Action Plan. Members undertook to urge the Minister to explore these possibilities with the DEL and Department of Agriculture and Rural Development (DARD) Ministers.

This Inquiry reflects Members' belief in a bright future for the Creative Industries in Northern Ireland and the Committee looks forward to taking forward its findings and recommendations with the Minister, her Department and all the other key stakeholders who contributed to and supported this Inquiry.

Summary of Recommendations

Branding, Identity and Approach

1. The Committee recommends that the Minister works to provide greater clarification of her Department's lead role with respect to the Creative Industries.
2. The Committee recommends that the Department explores the options for a high-profile branding of the Creative Industries in Northern Ireland. As part of this there should be provision of a single entry point to streamline support to the sector. This will serve to improve collaboration across government, industry and academia and provide a 'one-stop-shop'/ portal to deliver strategy, funding, advocacy, research and policy development. Such an approach would also make it easier for students at school, college and university and creative professionals to know where they can go to access skills advice, training and development and business advice. This should be supported by identifying creative 'champions' or 'heroes' who can inspire creative talent to remain here. The Department should also commission research to benchmark the performance of Northern Ireland's Creative Industries with those in other jurisdictions, locally and internationally, and to identify how local creative enterprises can best be encouraged to continue to co-operate and develop joint delivery with partners in these other regions.
3. The Committee recommends that the Department tests the concept of creative quarters to act as cluster points for creative enterprises and to encourage collaborative working across sub-sectors which maximise opportunities in rural and urban areas as appropriate. The Department should also consider how to create synergies with the Rural Development Programme, to maximise funding opportunities for creative businesses in rural areas.

Engagement with the Department of Enterprise, Trade and Investment/Invest NI

4. The Committee recommends that the Department should, with the Department of Enterprise, Trade and Investment (DETI)/Invest NI, seek to:
 - Make a detailed assessment of the funding/financing needs of the Creative Industries with the aim of developing pathways to develop their capacity to access international markets;
 - Collaborate with appropriate bodies to create guidance on the Creative Industries here to better enable potential investors and funders to more adequately assess the viability of creative products and companies, making the provision of funding/investment easier and more likely;
 - Develop mechanisms for businesses in the Creative Industries to better access experienced business mentoring and improve signposting for these services within the Creative Industries;
 - Be more proactive in signposting rural creative enterprises to the support/funding that is available to them. Also to examine how rural social enterprises in the Creative Industries can be supported and helped to link up with similar businesses in urban areas to allow synergies to be created;
 - Build on the Access to Finance Strategy by conducting discussions with the Strategic Investment Board around the creation of investment funds which are better suited to supporting the needs of the Creative Industries, both in terms of their design and the size of funds offered to each successful enterprise; and

- Progress work to put the infrastructure in place that brings together those talents and skills in the Creative Industries to promote clustering and establish creative hubs, such as that proposed at Ebrington Square.

Education, Training and Skills Development and Careers

The Committee recommends that the Department should engage with:

5. **The Department for Employment and Learning to:**

- Commission research to investigate vocational and work-based routes into the Creative Industries which would reduce outward migration;
- Continue to support and engage with those bodies involved in the formation of the Skills Academy and, to underpin the development of the Academy further, engage jointly with the Department of Education to ensure that professional advice around career pathways to the Creative Industries is available to school pupils as early as possible and particularly at points when choices regarding GCSE and A Level subjects and courses in Further Education and Higher Education are being made;
- Ensure that vulnerable young people and adults and those with disabilities and/or special needs are provided with opportunities to develop appropriate skills to engage in creative enterprises and/or relevant social enterprises;
- Work with Creative Cultural Skills and the Further Education (FE) and Higher Education (HE) sectors to build links with industry for student placements and project-based learning, so providing the foundation for the development of a bespoke Creative Industries Apprenticeship Programme, which is benchmarked against best practice in neighbouring jurisdictions and also internationally; and to encourage continued co-operation and delivery partnerships with these other regions. Additionally, seek ways to broaden existing apprenticeships to incorporate elements of the skills appropriate to the Creative Industries; and
- Examine options to make media and digital facilities available to other regional colleges, particularly where these will be of benefit to students in more rural areas.

6. **The Department of Education to:**

- Ensure that education providers at all levels publicise career pathways available within the Creative Industries, including utilising online resources such as 'Creative Choices' and to reflect the importance of the Creative Industries in the curriculum at both primary and post-primary level;
- Work to establish an environment and ethos in all schools which encourages young people to be creative and engage with arts and creative subjects throughout their school careers;
- Seek out opportunities for creative social enterprises to develop links with schools, particularly schools supporting disabled and vulnerable young people and those with special needs;
- Review the Information and Communications Technology (ICT) curriculum in schools to ensure that it incorporates skills that are applicable to the Creative Industries, such as design and software development; and
- Ensure that there is early engagement with school pupils to identify for them the careers pathways to the Creative Industries and the variety of employment and business opportunities that exist within the sector. Advice must be provided by professional career advisers, particularly prior to decisions being made around the selection of subjects for GCSE and A Level. Guidance on subjects and subject combinations needed for creative career pathways should be available to **all** young people. Schools must move away from creating timetables that force young people to decide between the arts and sciences – it

is clear that it is useful for young people to continue to study both to ensure that they have the widest choice of career pathways open to them. Efforts should also be made to create links between those working in the Creative Industries and schools to provide clear examples of careers.

STEM to STEAM Agenda

7. The Committee recommends that the Minister discusses with Ministerial colleagues the adoption of a 'creative approach' to delivering the STEM agenda in order to transform it into a STEAM agenda. This should maximise the use of art and creativity in schools, colleges and universities. Members are convinced of the economic potential of the Creative Industries and the Committee believes that encouraging art and creative subjects in tandem with the STEM subjects will go much further towards ensuring that our young people have the broadest range of skills possible and enable them to explore careers options in the Creative Industries.

Creative Industries Innovation Fund

8. The Committee recommends that the Creative Industries Innovation Fund is continued, but that options for further refining the Fund are explored, such as:
 - Ensuring the Fund fully accommodates start-up companies;
 - The provision of a greater degree of mentoring to accompany grants; and
 - An exploration of ways to expand the size of the fund.

European Union/Local Government

9. The Committee recommends that the Department engages with the DETI/Invest NI and other relevant Executive Departments and agencies to work with local councils to bring forward proposals to support sub-regional Creative Industries, with particular emphasis on developing rural creative businesses in areas of underinvestment and social deprivation. This will go some way to meeting Members' concerns that councils are not taking up European funding opportunities. Engagement with local authorities is necessary to support them to remain actively involved in the Creative Industries Framework, particularly through the Creative Industries Government Collaboration Group.
10. The Committee recommends that councils seek out examples of best practice to make the most of the programmes and funding that the European Union (EU) has to offer. Members believe that the Review of Public Administration (RPA) and the amalgamation of councils will present an excellent opportunity for new thinking and bold initiatives. The Committee further recommends that the RPA should be used as an opportunity for councils to establish a more joined-up approach towards economic development. This approach can be used to bring creative enterprises together with local and regional economic development bodies to facilitate partnership, economies of scale and create greater visibility. Councils must engage earlier and more proactively in signposting creative enterprises to where help and guidance is available to them, as must Invest NI. These more joined-up development mechanisms must in turn be better connected to all parts of government to maximise their impact.
11. The Committee recommends that the Department provides regular updates to Members on its progress towards the achievement of a 20% increase in the Northern Ireland Executive's drawdown of competitive funds. The Committee also requires updates on the Department's liaison with the Barroso Task Force, EU officials and the Department of Culture, Media and Sport to ensure the interests of the Creative Industries are represented regarding the proposals and roll out of the 'Creative Europe' programme, 'Horizon 2020' and other EU structural funds.

12. The Committee recommends that the Minister and her Department engage with Executive colleagues, other Executive Departments and all relevant agencies, bodies and sectors, as appropriate, to deliver:
- Greater availability of advice, guidance and support for creative companies seeking to access EU funding, including ensuring that successful bids to funds are used as examples of how organisations in the Creative Industries can draw down EU funding;
 - Support for applications to and collaborations under the EU Culture Programme and the proposed Creative Europe Programme 2014-2020 and Horizon 2020, taking into account lessons learned from other regions which have been successful in accessing funding for Creative Industries through previous programmes;
 - Increased support to creative businesses in finding and working with partners from other EU member states on potential joint bids, building on and publicising the workshops that Invest NI currently provide, particularly in light of the fact that future EU funding will increasingly be focused on partnership working and joint bids. This can help to build partnerships between urban and rural creative enterprises; and
 - Appropriate representation on European networks such as the Culture Action Europe (CAE). The Committee notes that CAE has currently member organisations from England, Wales, Scotland and the Republic of Ireland, but not Northern Ireland.

Draft Collaborative Framework to Support Creative Industries

13. The Committee welcomes the draft Framework as a first step on the road to greater co-ordination of efforts to support and develop the Creative Industries here. The Committee recommends that:
- Greater consideration is given within the draft Framework to developing North-South, East-West and international collaboration that will encourage better networking, co-operation and the sharing of talent and skills;
 - The Department, in its leadership role, undertakes a mapping exercise of the Creative Industries to underpin the Framework and provide a basis for the establishment of a time-bound delivery model to implement the Framework. Clarification of the role of infrastructural delivery bodies is also required; and
 - The Sector Skills Councils have a central role in the Framework.

NI Screen

14. The Committee recommends that, subject to the Department's review of its arms-length bodies, strenuous efforts are made with respect to streamlining and simplifying the existing governance, accountability and funding mechanisms for NI Screen. This recommendation is based on Members' concern that the current complex governance and accountability arrangements for NI Screen may hinder its ability to support and develop the screen industry. The Committee believes that further efforts should be made not only to ensure that NI Screen is better aligned with bodies and mechanisms for economic development, including industry and academia, but that NI Screen also continues to focus on building relevant skills capacity within local communities to ensure that Northern Ireland is equipped to service the needs of the expanding film and television production industry here.

Engagement with NESTA

15. The Committee recommends that the Department engages more proactively with National Endowment for Science, Technology and the Arts (NESTA) in exploring evidence-based policy initiatives. Members are aware that there is a desire on the part of NESTA to engage and

support and this offer must be thoroughly utilised. Members welcome plans to roll out a Creative Credits NI pilot.

Creative Industries Sub-Sectors

16. With regard to the Creative Industries ‘sub-sectors’, the Committee recommends:
- The commissioning of a cross-departmental design policy, in collaboration with the NI Design Alliance, and that consideration is given to developing and supporting a design hub from which government departments and other public authorities could seek advice on how best to enhance the design industries within their remit. The Committee welcomes the work of Invest NI in advancing the design agenda;
 - That government departments, agencies and local authorities should play a key role in the Craft & Design Collective’s ‘Made BUY Hand Locally’ Campaign by setting an example and choosing to give locally made crafts over imported brands as gifts, as required;
 - That the relevant bodies in the emerging film, television and animation industries should consider establishing a mechanism to improve links with the music industry to maximise the use of local musical talent as opposed to looking outside Northern Ireland, and that this mechanism should feed into the wider branding and ‘one-stop-shop’ approach outlined in Recommendation 2 above;
 - That the Department works closely with NI Screen in advocating to HM Treasury that the extension of tax credits proposals are designed and administered in a way which will be of maximum benefit; specifically ensuring that NI Screen and Digital Circle have sufficient support so that the television, animation and video games sectors can fully capitalise on these tax credits. While the Committee welcomes the tax relief proposals, Members would urge the Department to continue to press for the extension of the proposals to other forms of television production; and
 - That Invest NI and NI Screen seek to capitalise on the existing studio/filming infrastructure here and consider what options are necessary in future studio provision to enable the Northern Ireland Film industry to retain its competitive edge in the international film industry.

BBC NI

17. The Committee recommends that the BBC NI continues to work in close partnership with Creative Skillset, NI Screen, local independent production sector and other producers to identify and develop new talent in a co-ordinated manner which will complement media-related courses and training opportunities elsewhere, and works to increase the level of commissioning of local content and output.

The Ulster Orchestra

18. The Committee recommends that the Ulster Orchestra continues to develop plans to grow its audience through new initiatives and increased North-South, East-West and international collaborations. Members believe that this raising of the orchestra’s profile will assist in increasing corporate sponsorship opportunities. The Committee further recommends that the Department works closely with the orchestra to help it develop links with relevant Executive Departments and their associated bodies and responsible organisations which could expand funding opportunities and to use the Executive’s connections in neighbouring jurisdictions and internationally to raise the profile of the orchestra with a view to attracting additional funding.

Introduction

Background

1. On 8th September 2011 the Committee for Culture, Arts and Leisure ('the Committee') agreed to conduct an inquiry into the Creative Industries. This decision followed a briefing by Assembly Research and Information Services, which highlighted the current status of the Creative Industries, recent policy developments, an analysis of government strategies and key challenges facing the sector.
2. The Committee agreed the purpose and terms of reference for the inquiry on 13th October 2011; and that the focus of the Inquiry would be on maximising the potential of the Creative Industries in Northern Ireland.
3. On 1 December 2011, the Department of Culture, Arts and Leisure ('the Department') advised the Committee that the outcome to the Inquiry would help shape its draft *Collaborative Framework to Support the Creative Industries*.

Objective and Terms of Reference

4. The objective of this Inquiry is:

"To investigate the policies, strategies and frameworks which oversee the development and growth of the creative industries; and examine whether these are fit for purpose and are effective delivery support mechanisms, which maximise and harness the economic benefits of the Creative Industries within Northern Ireland".
5. In meeting this objective, the Committee set out the following terms of reference for the Inquiry:
 - Identify the potential of the Creative Industries in Northern Ireland, with particular emphasis on the economic benefits;
 - Identify the key challenges currently facing the sector;
 - Investigate whether particular gaps exist in current policies, strategies and delivery mechanisms, in areas such as: financial and business support; tax credits; education, training and skills development; leverage into international markets; the protection of intellectual property; and legislative developments;
 - Analyse and compare policies, strategies and delivery mechanisms in Northern Ireland with other UK regions and countries, in terms of their effectiveness in supporting the Creative Industries;
 - Examine the extent and effectiveness of the collaboration and co-ordination between industry, government departments and academia, in maximising and harnessing the full potential of the Creative Industries in Northern Ireland;
 - Consider the Creative Industries at sub-sector level in respect of any funding and support available; and assess the validity of prioritising particular industries within the sector for this support; and
 - Report to the Assembly with full findings, conclusions and recommendations for improvements in: policies and delivery mechanisms; and collaboration among all key stakeholders, to further develop and enhance the potential of the Creative Industries in Northern Ireland.
6. The Committee hopes that the conclusions and recommendations that it offers will promote the Creative Industries in Northern Ireland and will bring greater focus to their continued development.

The Committee's Approach

7. The Committee launched its Inquiry on 25th October 2011, making a specific call for evidence from identified key stakeholders and a general call for evidence through the Assembly's website, *Facebook* and *Twitter* pages. It requested submissions on each of the matters included within the terms of reference by 20th December 2011.
8. On 1st December 2011, the Committee took oral evidence from the Department of Culture, Arts and Leisure on its draft *Collaborative Framework to Support the Creative Industries*.
9. The Committee also considered 81 written responses to its Inquiry. It further considered oral evidence from 26 stakeholders between 2nd February 2012 and 5th July 2012, from various stakeholders ranging from government departments, representative organisations and creative industry practitioners.
10. Two stakeholder events were also held with discussions structured around the terms of reference. The first of these took place on 23rd February 2012 in Parliament Buildings. The second was held on 15th March 2012 at the Strule Arts Centre in Omagh. In total, 33 organisations / individuals were represented over the two events.
11. The Committee also undertook a visit to Edinburgh and Dundee in support of the Inquiry with the aim of gaining a more holistic picture of the support mechanisms available in Scotland. The Committee also had a tour of the newly built Belfast Metropolitan College's e3 centre.
12. Submissions received, minutes of evidence and research papers commissioned by the Committee can be found in the Appendices to this report.

Acknowledgements

13. The Committee would like to express and record its appreciation and thanks to all those organisations and individuals, who submitted written evidence, gave oral evidence, attended stakeholder events, contributed to the launch of the inquiry, and participated in the Committee's visit to Scotland.

Consideration of Evidence

Context

14. The Committee believes that there is considerable potential for the Creative Industries to contribute not only to the economy of Northern Ireland, but also to the development of our people, our schools, our colleges and our universities. Through this Inquiry the Committee hopes to highlight the possibilities for capitalising on this potential. It is important to establish at the outset the scope of the Creative Industries. The Creative Industries are described as:
- “Those activities which have their origin in individual creativity, skills and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”¹.*
15. It is generally accepted that the creative industries consist of the following sub-sectors:
- Advertising;
 - Architecture;
 - Art and Antiques Market;
 - Crafts;
 - Design;
 - Designer Fashion;
 - Film and Video;
 - Interactive Leisure Software;
 - Music;
 - Performing Arts;
 - Publishing;
 - Software and Computer Services; and
 - TV and Radio.²
16. The Committee is also acutely aware that there is a close economic relationship between the Creative Industries and other sectors including tourism, hospitality, museums and galleries, heritage and sport. Additionally, the Creative Industries provide opportunities for the improvement of health and social inclusion. There are also numerous opportunities for the development of links between the sector and social economy enterprises and projects in both rural and urban areas and for linkages between these. Subsequent to the completion of evidence-gathering the Committee considered how there are a number of synergies between the support and development of the Creative Industries and the *Rural White Paper Action Plan*³. While this was outside the terms of reference for the Inquiry, the Committee will ask the Minister to explore these synergies. A cross-departmental approach towards Creative Industries is vital and the Committee has reflected this in its conclusions and recommendations. The Committee has also highlighted the need for industry, academia, local government and development bodies to work together in a much more joined-up way to support the Creative Industries and see them realise their full economic and social potential.

1 Draft Collaborative Framework to Support the Creative Industries, DCAL, 2011, (Appendix 3)

2 Ibid

3 Rural White Paper Action Plan, DARD, (Appendix 5)

Government Policies and Strategies

17. While the Department is the government lead for the Creative Industries, it works in partnership with other government departments, agencies, development bodies, local government and sectoral stakeholders to support the growth and development of the Creative Industries. The Committee is extremely supportive of this collaboration and, as this Inquiry's conclusions and recommendations highlight, Members would wish to see much greater collaboration and a streamlining of processes and activity.
18. Early work on the Creative Industries includes:
- Publication in 2000 of the Department's vision for the arts and culture in Northern Ireland called *Face to Face*, which identified creative industries as an important sector requiring a policy framework and appropriate development strategies;
 - Publication in 2001 of *Unlocking Creativity – making it happen*, a document produced by the Department in partnership with Department of Education (DE), Department for Employment and Learning (DEL) and Department of Enterprise, Trade and Investment (DETI), outlining a number of objectives targeted at various departments;
 - Publication in 2001 of *Unlocking Creativity: a creative region* by the Department, DETI and other government departments, which outlined a three year action plan for Northern Ireland;
 - A study commissioned by Belfast City Council and the Department in 2007, which produced a number of conclusions regarding the challenges facing creative industries at that time;
 - Commitment in the 2008-11 Programme for Government to grow the Creative Industries sector by up to 15% by 2011;
 - Launch of a £5m Creative Industries Innovation Fund (CIIF) in 2008, acquired from the £90m Northern Ireland Innovation Fund, intended to support initiatives to increase quality, visibility and value of the creative industries;
 - Launch of the Department's *Strategic Action Plan* for the Creative Industries in 2008, presenting an interim plan to 'contribute to the growth of Northern Ireland's cultural capital by supporting creativity and creative talents and in particular their expression in business activities'; and
 - Creation of a *Creative Blueprint* by Creative and Cultural Skills in 2008 which identified skills and training challenges specific to Northern Ireland.⁴
19. More recently, key documents produced by the Northern Ireland Executive acknowledge the important contribution that creative industries can make to the Northern Ireland economy. Published in March 2012, the *Economic Strategy: Priorities for Sustainable Growth and Prosperity* pledged an investment of £4m for CIIF and wider sectoral initiatives to stimulate innovation, R&D and creativity. The Programme for Government 2011-2015 has pledged to support 200 projects through CIIF.
20. On 19 July 2011, the Minister of Culture, Arts and Leisure announced a £4m investment to support growth in the creative industries sector, to include grants to creative businesses through CIIF from 2011 to 2015. CIIF priorities over this period are directed at:
- Digital content;
 - Export-focused activity;
 - Cross-sectoral collaboration; and
 - Innovation and entrepreneurial potential of Northern Ireland's culture, arts and leisure base.

4 Research and Information Service Research Paper, *The Creative Industries: Background, Definitions and Recent Policy Development*, 5 September 2011, (Appendix 4)

21. During 2011 the Department drafted a *Collaborative Framework to Support the Creative Industries* to ‘put in place the right conditions for creativity and innovation to flourish in a new entrepreneurial culture’⁵.
22. In the Economic Strategy, a crucial focus for the Northern Ireland Executive is to deliver a vibrant economy and improve the economic competitiveness of Northern Ireland. Its Economic Strategy describes how important it is:
- “...to develop the potential of other sectors that have and will continue to make important contributions to the development of the NI economy. They include: Creative Industries; Tourism; Social Economy; and Rural Economy”*.⁶
23. The Department states that by enhancing the Creative Industries, Northern Ireland can:
- “develop skills that can be utilised across all key industries to build an innovative, knowledge-led economy. The sector also makes an important contribution to physical, social and cultural regeneration”*.⁷
24. In oral evidence Invest NI informed the Committee of how the Creative Industries represent a dynamic and convergent sector for the economy that has real potential for growth. DETI is leading the development of an innovation, R&D and creative strategy and action plan.⁸
25. Belfast City Council informed the Committee that significant progress had been made in developing and supporting the Creative Industries since June 2004 through a number of initiatives and actions; and that it was estimated that £3m in sales was generated by the private sector. It was reported that there had been an unprecedented growth in Belfast’s Creative Industries over the past 3 years, which has resulted in the development of a new Creative Industries strategy and action plan to support the development of the Creative Industries.

Economic Potential of the Creative Industries

26. Research⁹ commissioned by the Committee shows that in the UK between 1997 and 2007, the Creative Industries grew by an average 5% compared to around 3% for the economy as a whole. An additional 2.3m jobs were created between 1997 and 2008 and the creative industries accounted for 5.6% Gross Value Added (GVA) in the UK. In Northern Ireland during this time, there was a 24% growth in creative employment compared with an 11% increase in jobs overall. Growth was particularly evident in video, film, photography, software, computer games and electronic publishing; however fashion and design jobs declined. Despite this, Creative Industries accounted for just 2% of the GVA in Northern Ireland.
27. The Department of Culture, Arts and Leisure is the lead department in Northern Ireland with respect to the Creative Industries. In October 2011, it published Northern Ireland specific economic estimates. While these estimates carry the status of ‘experimental statistics’ as they were published while still in the development stage, nonetheless they provide a useful snapshot of the creative industries using the most recent data available.
28. The key economic estimates show that:
- Gross Value Added (GVA) for the creative industries was £737 million in 2008. This was equivalent to 4.2% of Northern Ireland’s total GVA;

5 Draft Collaborative Framework to Support the Creative Industries, DCAL, 2011 (Appendix 3)

6 Economic Strategy, Northern Ireland Executive, March 2012, (Appendix 5)

7 Draft Collaborative Framework to Support the Creative Industries, DCAL, December 2011, (Appendix 3)

8 Invest NI oral submission, (Appendix 2)

9 Research and Information Services Research Paper *The Creative Industries: Background, Definitions and Recent Policy Development* 5 September 2011, (Appendix 4)

- The estimated number of business units in the creative industries sector was 2,200 in 2010. This represented 3.2% of all business units in Northern Ireland; and
 - The number of people in creative employment in 2009 was estimated at 31,000. This represented 4.1% of total employment in Northern Ireland.¹⁰
29. The Creative Industries are recognised across the world for their job and wealth creation. It is widely accepted that the Creative Industries have considerable potential, both in economic and societal terms; and that they are important drivers of wider economic and social innovation and development. This is embodied in key government strategies in Northern Ireland and further afield.
30. During the course of the Inquiry, the Committee was presented with overwhelming evidence from witnesses of the potential of the Creative Industries to contribute to the local economy. In particular the potential of the Creative Industries in the following areas was highlighted: job and wealth creation; capital investment and funding; expansion into international markets and attracting inward investment and events and tourism. Additionally, the Committee has subsequently considered that the Creative Industries play an important role in the lives of those young people and adults who are disabled, vulnerable, or have special needs. While not including further investigation into this aspect of the Creative Industries in its initial terms of reference for this Inquiry, the Committee has highlighted that there is work that the Minister can pursue.
31. Creative Industries sub-sectors such as film and television; music; design; craft; and digital content such as games development and online/mobile applications are increasingly playing a key role in stimulating success in more traditional sectors such as manufacturing and tourism and add to Northern Ireland's overall economic value¹¹. Societal benefits in areas such as education, social cohesion and inclusion and health and mental wellbeing can also be derived from the Creative Industries.
32. The most recent economic and social impact study of *theatre* in Northern Ireland identified that every £1 of public subsidy generates a further £3.62 of spend in the local economy¹². The Arts Council of Northern Ireland (ACNI), in its 2010 Digest of Arts Statistics, found that for every £1 subsidy of ACNI revenue to the Grand Opera House resulted in £5 being spent within the wider NI economy.¹³
33. Despite the challenges of the recession, some witnesses were optimistic about the future growth of the Creative Industries. In its submission, Audience NI stated that:
- "Up to 2020 the creative sector is forecast to produce GVA growth of 31% and employment growth of 33% (in comparison with an average growth of 6% growth across the UK economy, a figure which is currently being revised down)".¹⁴*
34. The School of Media, Film and Journalism of the University of Ulster stated that:
- "...with the correct focus on global emerging areas, the creative sector in Northern Ireland has the capacity over the next 20 years to: ... double the gross value added of £737m in 2008 of the sector and significantly increase the 2,200 companies in the area".¹⁵*
35. The performing arts could potentially see the largest growth, with projections putting employment growth at 196% cumulatively from 2010 to 2020.¹⁶ This being the case,

10 Creative Industries Economic Estimates for Northern Ireland: Experimental Statistics 2011, DCAL, (Appendix 5)

11 DETI written submission, (Appendix 3)

12 Lyric Theatre written submission, (Appendix 3)

13 NITA written submission, (Appendix 3)

14 Audience NI written submission, (Appendix 3)

15 University of Ulster written submission, (Appendix 3)

16 Creative Cultural Skills written submission, (Appendix 3)

government interventions should be considered carefully. Creative and Cultural Skills (CCS) recommends that the NI Assembly moves towards a consistent long-term approach to measuring, valuing and investing in the creative and cultural industries, along with the related digital industries. They query the priority given to 'digital and creative' media and suggest that a more-joined up approach is needed across all departments to maximise the growth potential of these industries¹⁷.

Innovation

36. The Committee heard how the UK's Creative Industries support innovation and growth in other parts of the economy. In illustrating this point, NESTA stated:

“The significance of these ‘creative spillovers’ has only recently begun to be examined rigorously. NESTA studies have shown that those companies in other sectors that spend double the average amounts on creative inputs are 25 per cent more likely to introduce products or services that are new to their markets and that there are more people working in creative occupations outside of the Creative Industries than within them. The latter result is indicative of the importance of creative skillsets in other parts of the economy”¹⁸.

37. In order to maximise this potential, Creative Skillset suggest a common strategic direction is vital, as increasing spend in television and film will fuel opportunities in other sectors including computer gaming, interactive media, visual effects, animation, publishing and digital content design.

Job Creation

38. Between 2001 and 2007, the number of employee jobs in the Creative Industries increased by 24%, from 12,000 in 2001 to around 15,000 in 2007.¹⁹ Recent figures published by the Department showed that the number of people in creative employment in 2009 was estimated at 31,000. This represented 4.1% of total employment in Northern Ireland.²⁰

17 Ibid

18 NESTA written submission, (Appendix 3)

19 Research and Information Services research paper, *The Creative Industries: background, definitions and recent policy developments*, September 2011, (Appendix 4)

20 Creative Industries Economic Estimates for Northern Ireland: Experimental Statistics 2011, DCAL, (Appendix 5)

This can be broken down further:

Table 1: Number of People in Creative Employment in NI, 2009²¹

	Number
Employees in the Creative Industries	16,000
Employees doing creative jobs outside Creative Industries	8,000
Self-employed in Creative Industries	5,000
Self-employed doing creative jobs outside Creative Industries	3,000
Total creative employment	31,000
Creative employment as a percentage of all employment	4.1%

39. Research has shown that creative employment has remained at around the same level since 2005. In 2005, creative employment totalled 30,700; and in 2007 it totalled 32,900 (4.2%).
40. The 2011 *Jobs Plan*, produced by eight of Northern Ireland's leading business organisations identified opportunities to deliver economic growth to help create 94,000 jobs by 2020. Using Oxford Economics projections, it is estimated that over 11,700 new jobs could be realised in the Creative Industries.²²
41. Occupational, skills and productivity forecasting research conducted by TBR and Creative and Cultural Skills found that, in the UK, creative and cultural industries employment will grow by 32%, compared to just 6% for the rest of the economy. Future projections for Northern Ireland found that employment is predicted to double in size by 2020.²³

Capital Investment and Funding

42. Some contributions explored the benefits of capital investment, particularly with respect of the arts. Some significant capital infrastructure in the arts was detailed as follows:
- £9.8m in the new Lyric Theatre;
 - £10.76m in the new MAC (Metropolitan Arts Centre); and
 - £33m in regional theatres across Northern Ireland over the last 15 years²⁴.
43. In its submission, ACNI outlined its contributions of over £70m of capital funding since 1994. 39 projects received funding, and key conclusions from an evaluation relating to 11 of those projects found that those 11 venues continue to sustain employment for 161 permanent people with a further 32.5 FTEs supported through induced expenditure; and that they also contribute an estimated £21.3m to GVA each year, of which £4m is attributed to visitor spend. ACNI also pointed out that capital projects had created opportunities for community integration, celebration of diversity and assisting in regeneration²⁵. Cultural infrastructure, they said, plays an important contribution to cultural tourism including the completion of Titanic Belfast, the MAC and the international events heralded by *Our Time Our Place*. However they stressed the need to identify actions to be taken forward to consolidate the cultural infrastructure, including the need for a National Gallery for Northern Ireland and a

21 Research and Information Services research paper *An Update on the Economic Performance of the Creative Industries* 25 June 2012, (Appendix 4)

22 DCAL written submission, (Appendix 3)

23 Creative and Cultural Skills written submission, (Appendix 3)

24 Big Telly Theatre Company written submission, (Appendix 3)

25 Arts Council Northern Ireland written submission, (Appendix 3)

compelling case for strategic capital investment to add to the existing cultural ventures and tourism pull²⁶.

44. The benefits of other capital investment were also explored by other contributors. The University of Ulster's School of Media, Film and Journalism recognised the potential of the projects such as Kelvin in maximising international links increases without large scale employee migration having to take place. Digital Derry also acknowledged the potential of investment in the infrastructure provided through the Kelvin link and BT's roll-out fibre-to-the-cabinet technology and describes it as:

*"...a unique offering which collectively encourage the location of new digital ventures in the region".*²⁷

45. It was suggested by Big Telly Theatre Company that a strategic approach to capital investment was needed and that the significant investment to date should not be undermined through lack of investment follow through.
46. In terms of funding, the Creative Industries Innovation Fund (CIIF) was identified as a key funding source for creative businesses. The potential of CIIF in supporting innovation and creativity within businesses in Northern Ireland was widely recognised, however some contributors highlighted barriers with CIIF.

Events and Tourism

47. The Tourism Strategy's targets of increasing employment supported by tourism to 50,000 jobs; increase visitor numbers to 4.5m; and to generate £1bn for the NI economy every year, by 2020 were outlined in many submissions. There was widespread acknowledgement of the potential for tourism to contribute significantly to the Northern Ireland economy; and that creative businesses had a critical role in securing this potential. Cultural tourism also featured strongly throughout the submissions received by the Committee. ACNI and Northern Ireland Theatre Association (NITA) both noted that cultural tourism represents between 35 and 40 per cent of all tourism worldwide and is growing at 15 per cent per annum, faster than any other sector within tourism.

Export Potential

48. Belfast Metropolitan College (BMC)²⁸ and other witnesses referred to the export potential of the Creative Industries. The following figures provided by BMC illustrate this:
- The film and digital media sectors should be considered as export sectors. The Northern Ireland film industry has the potential to contribute £95 million to the NI economy over the next four years and as with tourism, the services will be used in Northern Ireland however the revenues (direct and indirect) are from outside Northern Ireland;
 - 68% of Northern Ireland's 300 craft businesses are exporting; and
 - 31% of the UK's total Creative Industries exports were contributed by the software, computer games and electronic publishing sector.
49. While the potential of the Creative Industries is not disputed among the contributors, nonetheless there was general consensus that much of this potential remains untapped and is not fully realised. Many described key challenges and barriers that face the Creative Industries as including insufficient scale, lack of visibility and unrealised product opportunities, securing access to international markets, an education and training deficit;

26 Ibid

27 Digital Derry written submission, (Appendix 3)

28 Belfast Metropolitan College written submission, (Appendix 3)

securing access to finance and the complexities associated with intellectual property. These issues are considered below.

Social and Health Benefits

50. While acknowledging the significant economic potential of the creative industries, witnesses also highlighted the benefits to local communities and social cohesion. ACNI acknowledged the economic potential of the creative industries, but said:

*“We contend that creativity should be valued as both an economic driver and a force for social good”.*²⁹

51. Indeed, many contributors valued the social contribution of the Creative Industries, including: Big Theatre Telly Company, Lyric, Stendhal and the Community Arts Partnership. NITA recognised that the Creative Industries have the power to break down social boundaries, create platforms for social networking, integration and knowledge sharing which harness the creative energies and imaginations of participants. Community Arts Partnership (CAP) referred to research which illustrated that community arts practice and associated outcomes can be relevant to achieving broader high level policy goals:

*“The cultural and creative shift in society and the economy places a growing emphasis on cultural and creative competencies which, if encouraged within communities, have benefits to individual and community wellbeing. Community arts represent a key asset for policy makers to use in achieving changes needed for future social and economic development”.*³⁰

52. However, despite the importance of community arts to social and economic policy, CAP was concerned that the definition of Creative Industries has a particular emphasis on digital technology with no specific mention of community or participatory arts.

53. The health benefits of Creative Industries were also recognised. For example, Carrickfergus Borough Council stated that supporting the Creative Industries is vitally important for:

*“...ensuring the lifeblood of the local economy as well as to improving the health and well-being of many of our residents and visitors alike, many of whom directly benefit from exposure to the creative industries”.*³¹

54. NITA referred to the long history of theatre companies in tackling health related issues and performing in health care settings; and Big Theatre Telly Company recognised the benefits in exposing older people to creative works, as:

*“...they also need access to services which can help them retain and support the social, mental and wellbeing aspects of their life”.*³²

55. As the Committee considered the benefits offered by the Creative Industries it became apparent that there exists tremendous scope to provide education, employment and development to young people and adults who are vulnerable or have disabilities or special needs in the sector. The sector already employs a higher proportion of these groups than are employed within the general economy and, although it is outside the terms of reference for this Inquiry, the Committee has asked the Minister to take forward work with Executive colleagues to further develop these opportunities.

29 Arts Council of Northern Ireland written submission, (Appendix 3)

30 Community Arts Partnership written submission, (Appendix 3)

31 Carrick Borough Council written submission, (Appendix 3)

32 Big Telly Theatre Company, written submission, (Appendix 3)

Challenges and Barriers

56. The Creative Industries' sub-sectors are highly convergent, creating both challenges and opportunities. It is a highly fragmented industry with insufficient scale and limited engagement with international markets. This has led to a number of key challenges which are detailed below.

Collaboration and Co-ordination

57. Evidence pointed to insufficient engagement and collaboration between sub-sectors and insufficient engagement and collaboration between the Creative Industries and other business sectors.
58. The diversity within the Creative Industries means that no one Department, local council, agency or representative or development body can fully realise the sector's potential in isolation. This has resulted in a range of diverse government interventions which sometimes lack effective co-ordination. This is highlighted in the Department and Invest NI's draft *Collaborative Framework to Support the Creative Industries*. It strongly advocates a collaborative approach based on industry, academia and government working together to develop a 'one industry' approach. The Committee considered this approach and is supportive of it.

Lack of Visibility

59. The potential of the Creative Industries is not sufficiently recognised or appreciated in either policy or business circles³³. It was also suggested that the sector, as a whole, lacks visibility. A direct consequence of this is that the Creative Industries have difficulties marketing their products without a recognisable local brand. Having a collective, recognised Northern Ireland 'brand' was cited as one way of raising the profile of creative products. Craft NI cited *Object* in Australia and *Ornamo* in Finland as examples of positive, collective marketing campaigns. This had also been done successfully by the London Development Agency with the establishment of Creative London and in the Republic of Ireland with the creation of a portal, *Creative Ireland*³⁴.
60. The University of Ulster, Landscape Institute and the DETI drew attention to the fact that there was no unified 'voice' for the Creative Industries in Northern Ireland. The University of Ulster highlighted a number of largely successful policies but noted that, at present, only parts of the creative 'landscape' are viewed at any one time with the result that viewpoints, when expressed, are dispersed and incoherent: "*In Northern Ireland.... we have sought to perpetuate independent structures but even then we have not managed to keep all of these moving forward*"³⁵. It offers the example that the Department appears to have won the creative aspects, Invest NI the business aspects and the Department for Employment and Learning (DEL) the training aspects. Although they collaborate to some extent, each is focussed on its own agenda and, as such, presents a fractured picture of the industry as a whole. This, it believes, is not easily explained to either a local or international audience.
61. The Committee concurred with this view and questioned if the Department's leadership role was understood within and outside government. Given the fractured nature of government support, it is not surprising that the Department's leadership role is not always clearly articulated in policy and delivery terms. In addition, the need for a 'champion' was raised throughout the Inquiry as a way of promoting the interests of the Creative Industries in a more unified way that would also increase the visibility of the sector. Arts and Business NI suggested that greater use could be made of those who have been successful within their

33 DCAL written submission, (Appendix 3)

34 Belfast City Council written submission, (Appendix 3)

35 John Edmund written submission, (Appendix 3)

creative field. Creative Industry ‘heroes’³⁶ could potentially increase visibility of the sector, inspiring those considering career choices in the sector and helping to stop the ‘brain drain’.

62. NITA suggested a creative industries ‘cheerleader and advocate’; a specific body made up of statutory and sectoral bodies and industry, advocating the need for investment in and strategic policy planning on behalf of the creative industries.

Leverage into International Markets

63. It is widely accepted that expansion into international markets and attracting inward investment will help improve economic competitiveness. Many contributors to the Inquiry acknowledged the vast potential of expansion into other markets and attracting inward investment in areas such as crafts, software, computer games and electronic publishing. The Committee heard that Northern Ireland was poor at showcasing its work and talent; and that companies needed to have a presence at international trade shows to increase visibility on an international scale. Both a cause and a consequence of this lack of visibility, was the inability of the Northern Ireland Creative Industries to link into international markets. In its written submission, the Department recognised that there is a lack of engagement in international markets stating that:

*“Our region needs to strengthen collaboration and commercialisation of knowledge and significantly increase our export focus if we are to achieve our economic goals”.*³⁷

64. ACNI stated in their evidence that the forthcoming EU Creative Europe fund may offer some opportunities to link with international partners and wider markets. Exporting products was considered important given the size of the Northern Ireland market. Craft NI referred to the potential of further exploiting the Irish market as export opportunities exist in GB and Europe, but only with the appropriate support, such as its it’s Export Development Programme.

65. In relation to performing arts, NITA outlined the experiences of many of its members in terms of exporting performance to places such as the United States; South Korea; Macau; Tasmania; Rol and Great Britain; and that there are opportunities for inward investment also. While Belfast City Council recognised the potential of inward investment, particularly for the film, TV and digital media sectors, it said that previous attempts to attract this had:

*“...proved to be pointless... 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 software, Maya, which is industry standard and was not taught here until last year”.*³⁸

66. Despite the obvious benefits and potential of accessing international markets there was a consensus that few creative businesses have the critical mass of in-house skills and market knowledge to fully exploit opportunities. Some suggested that more work was required to develop capacity, conduits and market intelligence³⁹. During its visit to Scotland, the Committee learned that efforts were being made to expose the Scottish Creative Industries to international markets. For example, Scottish Development International has recently been added as a partner to the Scottish Creative Industries Partnership, and the Committee heard on its visit to Dundee that the video games industry is used as a flagship product to attract wider foreign investment into Scotland.

36 Arts and Business written submission, (Appendix 3)

37 DCAL written submission, (Appendix 3)

38 Belfast City Council oral submission, (Appendix 2)

39 Big Telly Theatre Company and NITA written submissions, (Appendix 3)

67. Some stakeholders considered Northern Ireland's geographical location as a challenge, as it is not located within a creative or media cluster; and suggested that more support is required to give products and companies an international profile.

Skills Deficit

68. There was overwhelming written and oral evidence pointing to significant skills shortages and skills development within the Creative Industries here. Creative and Cultural Skills reported that approximately a third of businesses experience problems recruiting staff due to a lack of specialist skills and experience: 68% of creative businesses with skills gaps in the workforce had lost business as a result⁴⁰. The Director of Learning Pool advised the Committee that:

"Our company would probably be twice the size and have twice that many jobs if we had been able to recruit more people in Northern Ireland. The skills issue is a real constraining factor for business people trying to start businesses in Northern Ireland".⁴¹

69. Skill shortages were identified in the areas of business and entrepreneurialism; and in technical areas such as broadcast engineering, digital and software development. According to Digital Circle, and supported by recent data from the University of Ulster, there are around 650 vacancies in software engineering with large companies, and a large number of vacancies in software engineering and mobile and web development in smaller companies⁴².

70. The Committee was concerned by figures provided by Digital Circle and Momentum⁴³ which estimated that, at the current rate, NI will have a demand for 9,000 additional new jobs in software and digital media over the next five years, but that the universities were currently only producing approximately 300 graduates a year:

"...we not training enough people with the right skills".⁴⁴

71. Digital Derry expressed similar concerns stating that jobs are unfilled because graduates do not have the skills needed by practitioners. Similar issues were highlighted by other sectors such as the craft sector and the screen industry. With regard to the screen industry, Association of Film and Television Northern Ireland warned that the lack of skills in production was impacting on local production crew recruitment, an issue that could be further compounded by BBC NI's responsibility to develop a portfolio of programming for network/ UK-wide audiences. The Committee agreed that the provision of greater technical and business skills for the Creative Industries should be regarded as a high priority. The Committee was concerned to hear that Northern Ireland faces a particular set of skills needs compared to the rest of the economy. According to Creative and Cultural Skills, while qualification levels are generally much higher here than the rest of the UK economy as a whole, there are skill shortages due to the fact that qualifications do not equip individuals for work: 74% of employers find it difficult to find suitable applicants compared to 38% of UK employers. While this is partly due to a smaller pool of workers from which to draw on, CCS believes that there is an:

"... urgent need to re-align qualifications and training to what employers need within their organisations".⁴⁵

72. The Creative and Cultural Skills' Sector Skills Assessment in 2011 identified the following priority areas:

- Qualification development;

40 Creative and Cultural Skills written submission, (Appendix 3)

41 Digital Circle / Momentum oral submission, (Appendix 2)

42 Ibid

43 Digital Circle / Momentum written submission, (Appendix 3) and oral submission, (Appendix 2)

44 Digital Circle / Momentum oral submission, (Appendix 2)

45 Creative and Cultural Skills written submission, (Appendix 3)

- Careers information, Advice and Guidance;
- Aligning higher and further education with industry requirements; and
- Continuing Professional Development (CPD)⁴⁶.

73. The Committee notes that DETI has proposed to undertake a separate skills audit to identify the key sectors within the Creative Industries that represent the highest return to the NI economy⁴⁷ and awaits this audit with great interest. To address the ICT skills shortage, the Committee welcomes the initiative by the University of Ulster School of Art and Design together with NI Screen, Invest NI and Creative Skillset to develop a strategy to up skill the existing digital workforce.

Migration of Skilled Workers – Stopping the ‘Brain Drain’

74. Creative and Cultural Skills (CCS) warned of the difficulties of retaining highly skilled and talented workers, in particular, as many of them seek out employment opportunities in other parts of the UK, ROI or further afield. The overall skills profile of Northern Ireland is consequently lower than other OECD countries. This challenge relates to all areas of the NI economy, but it was suggested that more needs to be done to ensure that skilled workers in the Creative Industries remain in Northern Ireland⁴⁸. In line with other witnesses, Belfast Metropolitan College suggested that enhancing the visibility of creative leaders or ‘heroes’ could help to stem the flow of those either leaving the industries, or pursuing their career exclusively outside of Northern Ireland.
75. CCS pointed out that in order to attract or retain highly skilled people, there needs to be a series of progression routes into business. For those entering the Creative Industries as a whole, unpaid work and graduate level qualifications are now standard. CCS suggested that opening up work-based progression routes into creative businesses in Northern Ireland might possibly reduce the outward migration and talent drain from those industries. Examples include: more sandwich years in degree courses; apprenticeship routes; and ‘correctly advertised and paid internships’. CCS suggests that this approach could lead to young people growing with SME’s and micro-businesses locally, rather than seeking to migrate to London or other cities. For example, in a recent study of Creative Apprenticeships in England, 57% of apprentices stayed with their employer after they finished their qualification.

Growing Entrepreneurism

76. The most recent *Growing the Creative Economy*⁴⁹ seminar run by Creative and Cultural Skills highlighted the need to place entrepreneurialism at the heart of the Creative Industries. 45% of people working in the CCIs are self-employed but witnesses pointed to a need to develop entrepreneurial and business skills in FE and HE courses, so that arts graduates and those taking creative courses have the skills to succeed on their own⁵⁰. The Creative Industries Innovation Fund was seen as a welcome source of funding for commercially viable projects within the Creative Industries to stimulate innovation, R&D and creativity in the economy. However, there were calls for more to be done by Government to support both start-up organisations and skills delivery in the field of entrepreneurship.

46 Ibid

47 DETI written submission, (Appendix 3)

48 Creative and Cultural Skills written submission, (Appendix 3)

49 *Growing the Creative Economy*, Creative and Cultural Skills and ACNI NI, (Appendix 3)

50 Ibid

Lack of Scale

77. The Committee heard how Northern Ireland's businesses in the creative sector are made up primarily of micro-businesses that employ fewer than five people. Figures provided by Creative and Cultural Skills indicate that 78% of businesses within the CCIs employ five or less people, while 21% of generic businesses employ between five and fifty people. This leads to a number of challenges including skills issues which may make it less likely for micro businesses to access finance, tap into export opportunities, or feed their innovation and practices into the wider economy.

Access to Finance and the Need to Diversify Income

78. With reductions in public sector investment, many stakeholders recognised that their sectors needed to diversify income and to move from a 'grant mentality' to become more entrepreneurial. A shift in paradigm from 'funding' to 'investment' was required. The sector has also suffered from a decline in private sector investment. Figures provided by Arts and Business NI from a recent 2009/10 survey, revealed that the total figure for private sector investment in culture fell by 7% across the UK. Arts and Business NI reported that a key challenge for the sector in trying to diversify income tends to be as follows:

"Very few arts and cultural organisations in NI have full time development staff and this is a real challenge in regard to investment of time and resources in diversifying income".⁵¹

79. A&B NI said that the business rationale behind sponsorships was more strategic and focused on delivering business results. As a declining area of business support, they stated that the sector needed to work harder to cultivate and retain sponsors. However this took time and resources and presented a major challenge for over stretched budgets. A&BNI remarked that the training budget is often the first to go and this can in turn impact on building the necessary skills and confidence needed to maximise opportunities from other income streams⁵².
80. A key challenge in securing private investment was the perception that some sectors within the creative industries are considered as having risky profiles over future viability. Both A&B NI and Belfast City Council noted that the economic downturn had severely impacted on all commercial bank lending and creative companies faced particular difficulties in convincing potential providers of equity or lenders that their products were viable. While it was noted that there was a risk associated with all business ventures, it was acknowledged that it was difficult for potential investors to understand the kinds of risks associated with creative businesses.
81. ACNI highlighted a joint report by the Department of Business Innovation and Skills and the Department of Culture, Media and Sport (Access to Finance for Creative Industry Businesses, May 2011) which provides an analysis on separate sectors within the Creative Industries⁵³. The research revealed that some creative content sectors, in particular: software, publishing, video, film, photography, radio and television are more likely to have their finance applications rejected by finance providers than other creative businesses with similar risk profiles. It found that Music/Visual/Performing Arts creative content sectors and advertising and architecture had fairly similarly success rates to non-creative SMEs. ACNI suggested that market failures were more acute in the supply of finance for some creative content sectors which was thought to be down to greater uncertainty about the viability, and/or a misalignment of interest with finance providers.

51 Arts and Business NI written submission, (Appendix 3)

52 Ibid

53 Arts Council of NI written submission, (Appendix 3)

82. Of particular concern to the Committee was evidence presented by ACNI which suggested that some business owners do not apply for finance in the first place because of the assumption that they will be rejected⁵⁴. Assessing the levels of risk and potential success of a music group, for example, requires specialist knowledge and an understanding of creative business models which banks will not traditionally have. ACNI pointed out that possessing sufficient collateral against which to raise a loan is problematic for many creative companies, particularly in the early stages of product development.
83. The example of raising funds for a touring theatrical production was used by a number of witnesses to illustrate this point. NITA and Kabosh described the barrier posed by the fact that exportable theatre productions are not usually viewed as ‘products’, making it difficult to raise the necessary investment funds to take such productions on tour. This had been made more difficult with the withdrawal of the Arts Council’s Artists Abroad fund⁵⁵. The lack of assistance in mitigating risk to international touring was inhibiting the international visibility and competitiveness of the Northern Ireland Creative Industries⁵⁶.
84. ACNI also noted that the misalignment could also be attributed to the motivation of creative business owners in so much as they are motivated by their craft of ‘creative process’ rather than by solely commercial objectives. This suggests that their primary interest may be at odds with the commercial objectives of finance providers.

Gaps in Policies, Strategies and Delivery Mechanisms

85. As part of this Inquiry, the Committee sought evidence on whether there were gaps in policies, strategies and delivery mechanisms. The challenges and barriers highlighted above point to a number of gaps with regard to all of these. There were a number of recurring themes which can be broadly grouped into the following areas:
- Gaps in education and training;
 - Access to financial and business support, the provision of tax credits;
 - Access to European funding, bureaucracy; and
 - Knowledge of Intellectual Property.
86. In addition, policy and funding gaps were identified in relation to particular sub-sectors within the creative industries, including design, music, community festivals and film and television. These issues are highlighted below.

Education and Training Development

87. The skills deficit which is highlighted above points to some major gaps in education and skills development here. Significant gaps were identified in the current strategies for delivering entry routes into the Creative Industries, in comparison with the UK as a whole⁵⁷. There was substantial evidence supporting the argument that vocational and academic qualifications need to be more relevant and industry led. The FE and HE sectors need to strengthen their commercial offering; more emphasis needs to be placed on business skills, continuing professional development, and improvements to careers advice about the Creative Industries and greater emphasis on the importance of art and creativity in the school curriculum. These areas are examined in more detail below.

54 Ibid

55 Kabosh oral submission, (Appendix 2)

56 Lyric Theatre written submission, (Appendix 3)

57 Creative Cultural Skills written submission, (Appendix 3)

Business Development Training

88. The enhancement of general business and management skills, within the Creative Industries was cited as important by almost all of the witnesses during the Inquiry. Other witnesses referred to a lack of understanding of how to access international markets and how to protect Intellectual Property as an important education and training need. It was reported by witnesses that the business skills deficit was impacting on businesses' ability to adapt to the ever-changing market and to exploit marketing and exporting opportunities. A lack of understanding of how to access international markets was also impacting on businesses' ability to exploit markets. Belfast Metropolitan College said that traditionally micro-businesses lack the skills to take the product to market; and do not have the funds for self-development or employee development.
89. Knowledge of how to scale-up business models was cited as significant, with difficulties identified for those whose knowledge and experience is primarily in creating cultural products to extend and expand their business. Creative Skillset noted that entrepreneurial skills are lacking, and the ACNI recommended that the best method to instil these within creative businesses may be through practical, project-based training. Management and leadership skills were cited by the Sector Skills Councils, but also by the Ulster Orchestra, and Belfast Metropolitan College who stated that enhancing the ability of cultural organisations to understand and respond to audience needs would be important.
90. Sales and marketing skills, particularly for small enterprises and those within the craft sector, were described as requiring large-scale improvement if commercial potential is to be improved. The Arts Council added that investment in international marketing training was critical for Creative Industries with an export focus. The Craft and Design Collective said that there should be practical information available on business skills for creative companies to access. Indeed the practicality and applicability of business skills, in contrast to classroom-based initiatives, was suggested by a large number of witnesses as important.
91. Tied in with this need to develop skill sets was the challenge of nurturing and retaining the talent that does exist. As referred to previously, witnesses including Belfast City Council and the Creative and Cultural Skills referred to a 'brain drain' of local talent, caused by a lack of infrastructure, and that a challenge was how to encourage and create the right environment for our local talent to return to Northern Ireland.

Business Mentoring

92. There was some discussion of the ways in which business skills may be acquired by the Creative Industries. The University of Ulster stated that creative businesses do not have sufficient access to mentoring. Although private investors are likely to be more cautious in the current economic climate, Arts and Business highlighted the benefits of business mentoring as a way of providing pro bono support by the private sector to Creative Industry businesses. These strengthen an otherwise fragile skills infrastructure. Arts and Business informed the Committee of peer-to-peer mentoring opportunities which they had established with the Institute of Directors (IOD) and CBI. IOD businesses provide a mentoring service to creative businesses in receipt of the current Creative Industries Innovation Fund. Also, in 2010-2012, Arts and Business facilitated pro bono support from a total of 42 business people, who offered skills mentoring, support and advice to cultural managers.
93. The Arts Council welcomed business mentoring programmes as a means of providing access to bespoke services for creative businesses. However they stressed the need to develop capacity within the sector by improving the scale, depth and variety of skills provided and publicised:

"An assortment of skills is required by creative individuals including: flexibility; the ability to 'read' markets; a good understanding of technical requirements and business acumen. The

*creative and cultural sector is extremely diverse and also relatively new and so, the skills infrastructure, at times, is catching up with the needs of the sector”.*⁵⁸

Further and Higher Education

94. The majority of witnesses expressed concern that there is an insufficient connection between third level training and qualifications and the requirements of the creative workplace, with education not sufficiently practical, vocational or hands-on. Stakeholders at the Committee’s Inquiry events in Parliament Buildings and at Omagh highlighted the importance of providing “fit for purpose” third level education that could be applied to the workplace.
95. Part of the difficulty in securing a better connection between training and the workplace would seem to be the fast-moving nature of the Creative Industries, particularly in digital areas such as application development, animation and broadcast technology. There was a general consensus that further and higher education need to be responsive to rapid developments in the market. The Committee heard that intervention was required to develop a closer working relationship between industry and third level providers to increase employer confidence in the qualifications system and to create vocational qualifications that meet industry standards.
96. The Committee heard how Creative and Cultural Skills is working to ensure that vocational and academic qualifications are more industry led. CCS stressed the need for businesses to articulate their skills to the HE and FE sector much more clearly, so that courses can be aligned to industry needs. BMC referred to the Sector Qualifications Strategy for the Creative and Cultural Industries, published by the Sector Skills Council, which acknowledged that education provision has tended to be supply rather than demand-led, and that there is a lack of employer engagement in the design and development of qualifications⁵⁹.
97. One solution suggested by the Arts Council was a Northern Ireland-wide Knowledge Transfer Partnership (KTP) as a way of strengthening links between industry and academia. The Arts and Humanities Research Council, a UK-wide organisation to which institutions and employers here would be eligible to apply, fund a number of Knowledge Exchange Hubs (though currently none in Northern Ireland), as well as a KTP scheme and a Follow-on Funding scheme in support of knowledge exchange work and the commercialisation of academic research.
98. The Committee welcomed the University of Ulster’s work to develop a training infrastructure in partnership with Belfast Metropolitan College and North West Regional College as an academy of excellence. This was regarded as an important step to achieving the objective of trying:

*“... to retain that talent in Northern Ireland so that we can build up an industry here”.*⁶⁰

Courses, Qualifications and Work-Based Training

99. In terms of the course and qualification landscape, Belfast Metropolitan College noted that there are currently insufficient specific channels of communication between industry, and undergraduates and graduates. One of the effects of this is that there is currently inconsistent and, at times, poor careers advice at post-primary, further and higher education levels, and a limited understanding of career development paths for those seeking a career in the Creative Industries. The Committee noted that Creative and Cultural Skills (CCS) has well-developed on-line careers resources that enable individuals to make more informed decisions about their future career pathways. Creative Skillset anticipates that their online

58 Arts Council of NI written submission, (Appendix 3)

59 Belfast Metropolitan College written submission, (Appendix 3)

60 University of Ulster oral submission, (Appendix 2)

offer will in future enable a greater degree of personalisation of support helping to plug this very noticeable gap.

100. To address the skills gap CCS stressed the need for more to be done to forge business to university and business to college links, in terms of internships, work experience and sandwich placements⁶¹. CCS highlighted the fact that there is a lack of diversity regarding entry routes into the Creative Industries compared with the UK as a whole. Indeed, a number of witnesses noted that Northern Ireland is alone in having no Level 4 or 5 Apprenticeship provision, and that there are currently no fully-fledged Creative Apprenticeships in operation in Northern Ireland.
101. The Committee noted the work that Creative Skillset is doing around national occupational standards, apprenticeship frameworks and piloting apprenticeship schemes. However, the Committee heard that more needs to be done to build business to university and business to college links in respect of internships, work experience and placements. CCS advised the Committee that it was important that relevant government departments stay engaged with the formation of a Skills Academy model for the Creative and Cultural Industries in Northern Ireland. Arts and Business fully supported this type of initiative as a useful form of collaboration. For example, in England, the National Skills Academy is a network of 200 theatre and live music employers and 20 colleges which are used to recognise, develop and improve skills opportunities to raise ambition and help people get into the Creative Industries⁶².

Continuing Professional Development (CPD)

102. Arts and Business Northern Ireland estimates that approximately 75% of current Creative Industries employees are still likely to be in workforce in 2020, which points to a growing need for the provision of continuing professional development. Given the skills gaps, Creative and Cultural Skills stressed the need for formal and informal CPD in order to up-skill the workforce to complete in a rapidly changing and competitive market. There was a call for greater accessibility to continuing professional development that was targeted; not only for employees to learn adaptable skills within an ever changing market place, but also key business, management and entrepreneurial skills and a fuller understanding of legal and financial matters. Creative and Cultural Skills highlighted a lack of consistency of external training, and inconsistent approach to how CPD is implemented across organisations.

Issues around Education and Careers Information, Advice and Guidance

103. Concerns were expressed repeatedly during this Inquiry that our primary and post-primary education systems do not provide opportunities for pupils to develop creative skills. It was made very apparent to Members that education providers at all levels must work harder to publicise career pathways available within the Creative Industries, including utilising online resources such as 'Creative Choices'⁶³ and to reflect the importance of the Creative Industries in the curriculum at both primary and post-primary level. It was also obvious to the Committee from the evidence provided that work is required to establish an environment and ethos in all schools which encourages young people to be creative and engage with arts and creative subjects throughout their school careers. Subsequent to the evidence-gathering phase of this Inquiry, Members discussed how it is important for Executive Ministers to seek out opportunities for creative social enterprises to develop links with schools, particularly schools supporting disabled and vulnerable young people and those with special needs.

61 Creative and Cultural Skills written submission, (Appendix 3)

62 Arts and Business NI written submission, (Appendix 3)

63 Creative Choices is an on-line careers advice resource provided by Creative and Cultural Skillset.

104. The evidence provided by stakeholders made it clear to the Committee that it is vital to ensure that there is early engagement with school pupils to identify for them the career pathways to the Creative Industries and the variety of employment and business opportunities that exist within the sector. Furthermore, Members agreed that it is imperative that advice must be provided by professional career advisers, particularly prior to decisions being made around the selection of subjects for GCSE and A Level. Members also stressed that guidance on subjects and subject combinations needed for creative career pathways should be available to **all** young people. It is clear that there is a lack of understanding and advice within schools on the subjects needed to pursue a career in the Creative Industries. For example the importance of maths was not always articulated to students wishing to work in digital and creative content sectors. The Arts Council called for more information on career choices within the creative industries within schools. To this end, they suggested that there was a need for better communication and connectivity between the Department, DEL, DETI and DE to deliver substantial long-term benefits.
105. The Committee also concluded that schools need to move away from creating timetables that force young people to decide between the arts and sciences. Stakeholders' evidence made it clear that it is useful for young people to continue to study both to ensure that they have the widest choice of career pathways open to them. Efforts should also be made to establish links between those working in the Creative Industries and schools to provide clear examples of careers.

The STEM Agenda

106. The Committee notes that the Northern Ireland Executive's *Report on European Priorities 2011-2012* states as a long term goal to: "*Enhance STEM initiatives to fuel the emergence of creative people and innovative business*"⁶⁴. Creative and Cultural Skills welcomed the Executive's desire to fuel the emergence of creative people through the STEM agenda. The Committee was also supportive of this direction by the Executive.
107. However a number of witnesses were concerned that the arts was often seen as an 'add-on' and not a central element of education which in turn impacted negatively on growth and development of the Creative Industries⁶⁵. Stakeholders at the Parliament Buildings event commented that the education system "*devalues arts and leisure*" and the Arts Council expressed a doubt (voiced by many witnesses) that an exclusive focus on the STEM agenda (Science, Technology, Engineering and Maths) ignores the economic and creative potential of the arts. NITA was not alone in describing the need to move from the current educational models and methods focused on STEM to models focused on 'STEAM', with the inclusion of the arts. They cited an approach being followed in the state of Rhode Island in the United States, where culture-tech businesses are evolving under the focus of STEAM. Their educational approach focuses on encouraging cross-disciplinary learning to assist in the production of high-quality creative ideas and skilled people to bring those ideas to export.
108. Calls for more focus on creativity in the curriculum were countered by the Department of Education in their submission. They stated that: "*the revised curriculum... incorporates creativity in all aspects of teaching and learning from Year 1 onwards*"⁶⁶. However, NITA stated that although the arts are identified as a key curriculum target, teachers in Northern Ireland do not have the training or experience to deliver that to its full potential.
109. The Committee supported the approach suggested by Arts and Business NI: that arts and culture could be used in government policy to stimulate innovation and foster a culture of 'imagineers.' The thrust of this argument was that arts and culture could provide an

64 Northern Ireland Executive's *Report on European Priorities 2011-2012*, (Appendix 5)

65 Creative and Cultural Skills written submission, (Appendix 3)

66 DE oral submission, (Appendix 2)

innovative platform to help drive the STEM agenda in Northern Ireland. Arts and Business NI provided interesting examples of how a creative approach could be used to support the STEM agenda: ‘Math-a-Magic’, sponsored by the then Northern Bank, is an educational show for children in upper-primary classes that combines education learning with an interactive magic show; and mon£y mae\$trol!, a music project run by the Ulster Bank and the Ulster Orchestra which introduces children to money matters in a creative and educational way⁶⁷.

ICT Skills

110. Digital Circle commented that Information and Communications Technology (ICT) skills are not being sufficiently taught at post-primary level. In its submission, the Department of Education (DE) stated that through the Department for Employment and Learning (DEL) ICT Action Group, the DE is trying to develop a greater awareness of the issue, and encourage more pupils to take up ICT.

111. It would seem that the DE’s view is that at primary level there is already sufficient flexibility to enable programming to be taught, perhaps by a third party provider. They stated that they are developing awareness programmes with business partners so that understanding of what ICT involves can be improved, among both pupils and teachers. They stated that:

*“We do not agree that the curriculum does not match, but we agree that more needs to be done to make children aware of the opportunities that there are in computer sciences”.*⁶⁸

112. Aside from this focus on schools, NI Screen pointed out that there are learning opportunities for young people in other venues. For example, they commented that:

*“Creative learning centres are a tremendous resource and have been very well supported by DCAL over a long number of years. They should be supported much better and at least have a funding stream from the Department of Education, which is the Department with primary responsibility for education”.*⁶⁹

The Committee has also noted with interest the **CoderDojo** movement. This began in Limerick and is aimed at getting young people interested in computer programming and was mentioned by witnesses from Digital Circle and Queen’s University during the evidence gathering sessions for this Inquiry. Members look forward to hearing more about the development of this idea.

Financial and Business Support

113. Funding for the Creative Industries comes from a mixture of public and private sources. Some witnesses/stakeholders stated that the Programme for Government did not go far enough despite its recognition of the potential of the sector.

114. Belfast Metropolitan College suggested that part of the solution lies in improving understanding of Creative Industries among potential private sector funders so that they are less wary of investment. Low levels of understanding of creative businesses are not just evident in banking but also legal services, with advice regarding intellectual property issues in particularly short supply in Northern Ireland. Digital Derry pointed out that difficulties in accessing private finance also create a difficulty in achieving match funding from public funding sources. It was felt by many witnesses that more work could be done to educate potential private investors regarding the nature of creative business models and balance between risk and return.

67 Arts and Business written submission, (Appendix 3)

68 DE oral submission, (Appendix 2)

69 NI Screen oral submission, (Appendix 2)

115. A key policy identified by witnesses was that there is access to short-term finance for creative companies, and that these difficulties existed in accessing private and public sector funding. However, the Committee noted that, over recent years, there has been major capital funding for culture and arts, including the MAC Theatre, UK City of Culture and the Lyric Theatre. However concerns were expressed that the benefit of this capital investment will not be fully realised unless follow up investment in culture and the arts is made. The Committee strongly believes that there is a need for the economic development bodies at Departmental and local government level to establish a much more joined-up approach towards financing, mentoring and generally assisting and supporting the Creative Industries. Early and proactive intervention and signposting to help and guidance by Invest NI and local councils is vital.
116. The lack of funding for the Creative Industries was also believed to impact on training and development. The Committee heard that there was a lack of funding for CPD and training; thus negatively impacting on the skills base within the Creative Industries. There was general consensus that improvements could be made to the package of policies and programmes that are in place to support small businesses.

Start-up Support for Small Businesses

117. Lack of financial support for start-up businesses was cited as a major barrier by many witnesses. Both Belfast City Council and NI Screen stated that there is a need for a form of public funding which can be provided more quickly, potentially in the form of micro-funding, in order to ‘bridge’ deals within industries such as screen and music where developments can occur very rapidly. The Oh Yeah Music Centre noted that NI Screen’s Product Development Fund is a model which may transfer well to other industries, particularly the music industry. Again, the Committee believes that it is important that Invest NI and local councils and their economic development bodies act early and in a more joined-up way to support the sector and establish useful networks that will help to establish visibility and economies of scale within the sector and so bring the sub-sectors together and encourage greater and more productive collaboration.
118. The Committee heard from Digital Derry that seed funding was needed to encourage innovation, development and growth and the requirement for match funding should not be a barrier. The Committee also heard that Invest NI already has the resources to support the Creative Industries, but their models of support are currently too large for small, emergent creative companies. A ‘gap’ was identified between the Creative Industries Innovation Fund (CIIF) which generally goes up to £10,000, and Invest NI investment which generally begins at £100,000.
119. This was noted as a particular problem for theatre companies wishing to exploit tourism opportunities. Kabosh noted that funding for tourism products, provided by Invest NI, generally starts at £50,000. They stated that: *“Over the past four years, we have created a tourism product for budgets of £25,000”; suggesting that “We need to have a tiered system of funding whereby you can create small-scale animations that are more attractive to our local government, local borough councils, small tourism industries and funds”*⁷⁰. The Arts Council commented that:
- “We fly beneath the radar of Invest Northern Ireland, which is really focused on innovation but not yet in the creativity agenda. In that ladder of progression, we recognise that some of the companies that we are supporting will progress to become Invest NI clients. That is essential if they are to grow and to continue their export focus”*.⁷¹
120. However, the Committee heard how Invest NI is taking steps to carry out an economic appraisal of the options for a Creative Industries Accelerator/incubation Programme to provide

70 Kabosh oral submission, (Appendix 2)

71 Arts Council oral submission, (Appendix 2)

an investment and mentoring eco system for new start businesses in the Creative Industries Sector. The Committee welcomes this initiative and also the steps to support Digital Content businesses to address the current lack of support for creative content businesses.

Creative Industries Innovation Fund (CIIF)

121. Views on the Creative Industries Innovation Fund were divided. While many stakeholders recognised the value of CIIF and that it should be retained, some considered that the fund did not go far enough.
122. Of those in favour of the fund, Queen’s University of Belfast noted that the relatively low cost but high risk funding is exactly what is required to carry forward new creative products. NI Screen described CIIF as “*absolutely key*”. However, the Arts Council, which is responsible for administering CIIF, noted in its written submission that, on the one hand the formal evaluation of CIIF found that it had “*played a key role in sustaining the economic contribution of the sector over the programme period*”⁷², but on the other that for the period of 2010 to 2015 the total fund has been reduced by 40%. They also stated that in the future, the fund may be better invested in clusters rather than individual companies. Both companies and public authorities stated that, although the funding that CIIF provides is generally beneficial to the sector, it should offer a higher level of mentoring from successful creative entrepreneurs.
123. One criticism of CIIF was that funding was provided to projects with no “international tradability”⁷³. Another was that the application process did not give adequate consideration to the merits of all requests for funding as it was paper based (Northern Visions). The difficulties of accessing CIIF for start-up companies was cited as a barrier, and the Stendhal Festival of Art recommended the Derry/Londonderry UK City of Culture 2013’s Culture Tech fund as a good example of funding in that it seeks applications for digital organisations to partner with arts organisations to explore new products. Finally, the fact that CIIF cannot be used to fund founder salary costs was cited as a barrier.

Bureaucracy

124. NI Screen in particular noted that the bureaucracy hindered the support offered and despite often only receiving funding from the Department, many groups have to work across various government departments. Groups reported that such an arrangement was cost and resource intensive and suggested that a more effective, streamlined mechanism should be developed. An example of this was provided by NI Screen, which receives funding from both the Department and DETI and is therefore bound by separate auditing requirements. In its oral submission, NI Screen stated:

*“We aim to assist them in meeting those needs, but there are just too many of them, and too much of my Chief Executive’s time is taken up with meeting those needs and dealing with the inward-facing aspects of what we do”.*⁷⁴

125. Some stakeholders also considered the timescale of application processes lengthy. In addition, the public procurement process was also described as cumbersome. Landscape Institute NI stated that this made it difficult for SME’s to compete for work because of the time, cost and risks involved.

72 Arts Council written submission, (Appendix 3)

73 John Edmund written submission, (Appendix 3)

74 NI Screen oral submission, (Appendix 2)

Intellectual Property (IP)

126. A number of different bodies raised IP as an issue, stating that it is an important one for creative companies to grasp in a number of different respects. A sound awareness of IP issues can help to monetise creative content, protect against piracy, and exploit emerging markets. However, as noted above, the Creative Industries generally have both a low level of awareness about IP issues, and lack the specific skills needed to secure and exploit their intellectual property, particularly in an online environment.
127. The Oh Yeah Music Centre described the exploitation of IP in terms of generating revenue from song writing, as key to the music industry:
- “Everything evolves from the strength of indigenous intellectual property, and we would like to see a more focused approach to nurturing and protecting that process”.*⁷⁵
128. Each year, more than £1 million goes unclaimed by artists and performers because artists do not track their incomes as there is a gap in their understanding⁷⁶. The record label, Smalltown America, described a situation where a number of acts for which they are responsible initially had:
- “Absolutely no idea what the Performing Right Society or Phonographic Performance Limited are”.*⁷⁷
129. Greater assistance and the accurate tracking and accounting of artist and publisher royalties would help to strengthen the Northern Ireland music economy⁷⁸. Digital Circle noted that while the protection of IP is to be encouraged as it facilitates a commercial revenue stream for creative innovators, it is a process remaining beyond many of the digital companies in Northern Ireland. Digital Circle recommended that the best way to secure IP rights is to be aware of how to successfully exploit it, and a reduction of the time-to-market to minimise the opportunities for piracy.
130. The Committee recommends that the Minister works to provide greater clarification of her department’s lead role with respect to the Creative Industries.
131. **The Committee recommends that the Department explores the options for a high-profile branding of the Creative Industries in Northern Ireland. As part of this there should be the provision of a single entry point to streamline support to the sector. This will serve to improve collaboration across government, industry and academia and provide a ‘one-stop-shop’/portal to deliver strategy, funding, advocacy, research and policy development. Such an approach would also make it easier for students at school, college and university and creative professionals to know where they can go to access skills advice, training and development and business advice. This should be supported by identifying creative ‘champions’ or ‘heroes’ who can inspire creative talent to remain here. The Department should also commission research to benchmark the performance of Northern Ireland’s Creative Industries with those in other jurisdictions, locally and internationally, and also to identify how local creative enterprises can best be encouraged to continue to co-operate and develop joint delivery with partners in these other regions.**
132. **The Committee recommends that the Department should, with the Department of Enterprise, Trade and Investment/Invest NI, seek to:**
- **Make a detailed assessment of the funding/financing needs of the Creative Industries with the aim of developing pathways to develop their capacity to access international markets;**

75 Joint oral submission with Oh Yeah Music Centre, SmallTown America and Shauna Tohill, (Appendix 2)

76 Ibid

77 Ibid

78 Ibid

- Collaborate with appropriate bodies to create guidance on the Creative Industries here to better enable potential investors and funders to more adequately assess the viability of creative products and companies, making the provision of funding/investment easier and more likely;
- Develop mechanisms for businesses in the Creative Industries to better access experienced business mentoring and improve signposting for these services within the Creative Industries;
- Be more proactive in signposting rural creative enterprises to the support/funding that is available to them. Also to examine how rural social enterprises in the Creative Industries can be supported and helped to link up with similar businesses in urban areas to allow synergies to be created;
- Build on the Access to Finance Strategy by conducting discussions with the Strategic Investment Board around the creation of investment funds which are better suited to supporting the needs of the Creative Industries, both in terms of their design and the size of funds offered to each successful enterprise; and
- Progress work to put the infrastructure in place that brings together those talents and skills in the Creative Industries to promote clustering and establish creative hubs, such as that proposed at Ebrington Square.

133. The Committee recommends that the Department should engage with the Department for Employment and Learning to:

- Commission research to investigate vocational and work-based routes into the Creative Industries which would reduce outward migration;
- Continue to support and engage with those bodies involved in the formation of the Skills Academy and, to underpin the development of the Academy further, engage jointly with the Department of Education to ensure that professional advice around career pathways to the Creative Industries is available to school pupils as early as possible and particularly at points when choices regarding GCSE and A Level subjects and courses in FE or HE are being made;
- Ensure that vulnerable young people and adults and those with disabilities and/or special needs are provided with opportunities to develop appropriate skills to engage in creative enterprises and/or relevant social enterprises;
- Work with Creative Cultural Skills and the Further and Higher Education sectors to build links with industry for student placements and project-based learning, so providing the foundation for the development of a bespoke Creative Industries Apprenticeship Programme, which is benchmarked against best practice in neighbouring jurisdictions and also internationally; and to encourage continued co-operation and delivery partnerships with these other regions. Additionally, seek ways to broaden existing apprenticeships to incorporate elements of the skills appropriate to the Creative Industries; and
- Examine options to make the excellent media and digital facilities available to other regional colleges, particularly where these will be of benefit to students in more rural areas.

134. The Committee recommends that the Minister discusses with Ministerial colleagues the adoption of a 'creative approach' to delivering the STEM agenda in order to transform it into a STEAM agenda. This should maximise the use of art and creativity in schools, colleges and universities. Members are convinced of the economic potential of the Creative Industries and the Committee believes that encouraging art and creative subjects in tandem with the STEM subjects will go much further towards ensuring that our young people have the broadest range of skills possible and enable them to explore careers options in the Creative Industries.

135. **The Committee recommends that the Department should engage with the Department of Education to:**
- **Ensure that education providers at all levels publicise career pathways available within the Creative Industries, including utilising online resources such as ‘Creative Choices’⁷⁹ and to reflect the importance of the Creative Industries at both primary and post-primary level;**
 - **Work to establish an environment and ethos in schools which encourages young people to be creative and engage with arts and creative subjects throughout their school careers;**
 - **Seek out opportunities for creative social enterprises to develop links with schools, particularly schools supporting disabled and vulnerable young people and those with special needs;**
 - **Review the ICT curriculum in schools to ensure that it incorporates skills that are applicable to the Creative Industries, such as design and software development; and**
 - **Ensure that there is early engagement with school pupils to identify for them the careers pathways to the Creative Industries and the variety of employment and business opportunities that exist within the sector. Advice must be provided by professional careers advisers, particularly prior to decisions being made around the selection of subjects for GCSE and A Level. Guidance on subjects and subject combinations needed for creative career pathways should be available to all young people. Schools must move away from creating timetables that force young people to decide between the arts and the sciences – it is clear that it is useful for young people to continue to study both to ensure that they have the widest choice of career paths open to them. Efforts should also be made to create links between those working in the Creative Industries and schools to provide clear examples of careers.**
136. **The Committee recommends that the Creative Industries Innovation Fund is continued, but that options for further refining the fund are explored, such as:**
- **Ensuring the fund fully accommodates start-up companies;**
 - **The provision of a greater degree of mentoring to accompany grants; and**
 - **An exploration of ways to expand the size of the fund.**

European Union

137. The Northern Ireland Executive recognises the potential for the Creative Industries here to exploit opportunities arising from increased engagement with the institutions of the European Union (EU). The Committee noted that the Programme for Government has set a target for a 20% increase in the Northern Ireland Executive drawdown of competitive funds⁸⁰. All departments, including the Department, have a role in contributing to this target.
138. Further reference to the importance of the creative industries can be found in the Northern Ireland Executive’s ‘European Priorities 2012-2013’. It refers to the need to make the most of the region’s assets including growing Creative Industries and strong entrepreneurial tradition. Within the EU context, the report highlights the need to:

*“Promote cross-sectoral collaborations between the creative and cultural industries and with other business and research sectors to stimulate innovation, job creation and expert focused growth”.*⁸¹

79 Creative Choices is an on-line careers advice resource provided by Creative and Cultural Skillsset.

80 Northern Ireland Executive, Programme for Government, 2011-2015, (Appendix 5)

81 Northern Ireland Executive, European Priorities 2012-13, (Appendix 5)

139. It also identifies the need to:
- “Nurture the development and exploitation of new technologies, ideas and ways of working in our companies, universities, the research base and elsewhere in the public sector”.*⁸²
140. The importance of the creative industries is reflected in recent policy developments in the EU, including a Green Paper on the cultural and creative industries and a study commissioned by the European Commission, *The Entrepreneurial Dimension of the Cultural and Creative Industries*⁸³. This study provides an understanding of the key determinants for strengthening entrepreneurship for CCIs such as:
- Access to finance;
 - Market barriers;
 - Intellectual Property rights;
 - Education and training; and
 - Collaborative processes.
141. The report makes a number of specific recommendations, including amendments to Framework Programme 7 (FP7) and Framework Programme 8 (FP8) funding programmes to focus more on cultural and Creative Industries, and using European Social Funds to finance a series of creative apprenticeships.
142. The Committee noted that Horizon 2020 (FP8) is the successor programme to FP7 and is the EU’s new programme for research and innovation to drive new growth and jobs in Europe. Of particular interest to the Committee was the Creative Europe programme which is distinct and separate from Horizon 2020 and has a proposed budget for 2014-2020 of around €1.8million. It became clear through written and oral evidence that while there may be some crossover of funding opportunities in respect of specific innovations in the Creative Industries, this would need to be explored further when the budget settlements and the proposed calls under each programme were made. However, it was clear to the Committee that Horizon 2020 offered considerable scope for funding drawdown by the Creative Industries here.
143. The EU’s ‘Creative Europe’ programme was welcomed by the Ulster Orchestra and ACNI. According to ACNI, it represents a 37% increase on current levels of funding for the Creative Industries. The Committee heard that the proposals include an allocation of €210 million for a new financial guarantee facility enabling small businesses to access up to €1 billion in bank loans and €60m in support of policy cooperation to foster innovative approaches to audience building and new business models. ACNI recognised the potential of this strand of EU Funding stating that:
- “Local creative people and creative enterprises could benefit from training to gain new skills and to strengthen their capacity to work internationally. This will be a prominent strand of our work in the Arts Council in helping the local sector address some of the challenges it faces when working across the frontiers of Europe”.*⁸⁴
144. Maximising on EU Funding opportunities, ACNI has submitted a partnership application to the European Creative Districts Programme, on behalf of the north-west region with a cross-border dimension. ACNI informed the Committee that this was as a direct result of receiving information on the programme from the Committee. ACNI explained how the bid builds on the One Plan for Derry~Londonderry and focuses on efforts to incubate the Creative Industries, particularly in the fields of fashion and textiles, publishing, music and creative festival in the north-west region⁸⁵.

82 Ibid

83 Executive Summary, *The Entrepreneurial Dimension of the Cultural and Creative Industries*, (Appendix 5)

84 Arts Council of NI written submission, (Appendix 3)

85 Arts Council of NI oral submission, (Appendix 2)

145. Despite the awareness of the potential of EU funding programmes by some witnesses, the Committee sensed that access to this funding was still relatively untapped by most witnesses due to a lack of skills, knowledge and the level of bureaucracy involved in applying to such programmes.
146. Belfast City Council concurred with this view stating their frustration about lengthy decision making processes, particularly with regard to a long-standing INTERREG application. EU funded projects are generally viewed as being out-of-reach by Northern Ireland's micro businesses due to the level of bureaucracy involved in applications, delays in the application process and requirements in some instances for match funding. It is believed by many that the challenges will continue or grow due to the likelihood that future EU funding programmes will focus on partnership working where applicants will be required to or encouraged to submit bids which involve partners from other EU member states. Invest NI quoted this as a major challenge for small businesses. Officials suggested that a solution would be to:
- "...educate people about what is available and to try to bring it through at an earlier stage, for example, during the latter part of studies. We could give a lot of individuals the business skills that they need at that stage and maybe allow some of the development to happen in that environment before they step out".⁸⁶*
147. The Committee noted the potential of European Funding to stimulate Creative Industries in local areas. The Reimaging Communities Programme was regarded as a good example of how funding can be utilised to regenerate local council areas.
148. Invest NI provided details of how it was working closely with councils to avail of Local Economic Development (LED) monies through EU Funding. However, despite working with councils to bring forward propositions, success has been varied because of the need for councils to provide match funding; something which many councils cannot afford. To address this problem, Invest NI was now contributing to councils' match funding requirements⁸⁷. The Committee has already highlighted the need for Invest NI to work closely with the councils and their economic development bodies to better signpost the support and advice available to creative enterprises and to establish better collaborative networks.
149. Ards Borough Council reported success in using EU funding to address its training and skills development needs through programmes supported under the EU Sustainable Competitiveness Programme 'Expanding Our Craft Horizons' with six Councils within the South Eastern Economic Development (SEED) consortium of councils and the EU Lifelong Learning Programme, 'Leonardo Sustainable Craft Networks.'
150. **The Committee recommends that the Department engages with the DETI/Invest NI and other relevant Executive Departments and agencies to work with local councils to bring forward proposals to support sub-regional Creative Industries, with particular emphasis on developing rural creative businesses in areas of underinvestment and social deprivation. This will go some way to meeting Members' concerns that councils are not taking up European funding opportunities. Engagement with local councils is necessary to support them to remain actively involved in the Creative Industries Framework, particularly through the Creative Industries Government Collaboration Group.**
151. **The Committee recommends that councils seek out examples of best practice to make the most of the programmes and funding that the EU has to offer. Members believe that the Review of Public Administration (RPA) and the amalgamation of councils will present an excellent opportunity for new thinking and bold initiatives. The Committee further recommends that the RPA should be used as an opportunity for councils to establish a more joined-up approach towards economic development. This approach can be used to bring creative enterprises together with local and regional economic development bodies**

86 Invest NI oral submission, (Appendix 2)

87 Ibid

to facilitate partnership, economies of scale and create greater visibility. Councils must engage earlier and more proactively in signposting creative enterprises to where help and guidance is available to them, as must Invest NI. These more joined-up development mechanisms must in turn be better connected to all parts of government to maximise their impact.

152. **The Committee recommends that the Department provides regular updates to Members on its progress towards the achievement of a 20% increase in the Northern Ireland Executive's drawdown of competitive funds. The Committee also requires updates on the Department's liaison with the Barroso Task Force, EU officials and the Department of Culture Media and Sport to ensure that the interests of the Creative Industries are represented regarding the proposals and roll out of the 'Creative Europe' programme and 'Horizon 2020' and other EU structural funds.**
153. **The Committee recommends that the Minister and her Department engage with Executive colleagues, other Executive Departments and all relevant agencies, bodies and sectors, as appropriate, to deliver:**
- **Greater availability of advice, guidance and support for creative companies seeking to access EU funding, including ensuring that successful bids to funds are used as examples of how organisations in the Creative Industries can draw down EU funding;**
 - **Support for applications to and collaborations under the EU Culture Programme and the proposed Creative Europe Programme 2014-2020 and Horizon 2020, taking into account lessons learned from other regions which have been successful in accessing funding for Creative Industries through previous programmes;**
 - **Increased support to creative businesses in finding and working with partners from other EU member states on potential joint bids, building on and publicising the workshops that Invest NI currently provide, particularly in light of the fact that future EU funding will increasingly be focused on partnership working and joint bids. This can help partnerships between urban and rural creative enterprises; and**
 - **Appropriate representation on European networks such as the Culture Action Europe (CAE). The Committee notes that CAE has currently member organisations from England, Wales, Scotland and the Republic of Ireland, but not Northern Ireland.**

Collaboration

154. This was an issue that was highlighted to the Committee repeatedly during the evidence-gathering sessions for this Inquiry. As with many Inquiries before, across all the Assembly's Statutory Committees, clear evidence has been presented that there is still too great a degree of working in silos across government departments, agencies and arms-length bodies and in their engagement with other sectors and local government. Additionally, it is apparent that there is often a lack of joined-up thinking and working in many sectors and that government and the public sector are not alone in this failing – local councils and their economic development bodies too often work in isolation.

Within Policy Frameworks

155. The Committee heard from many contributors to this Inquiry that there is no overarching policy or approach to the Creative Industries and that there was a need for a joined-up approach across government, representative bodies and industry practitioners. A number of calls were made from those working within, or working to support, the Creative Industries for a simplification of the policy and funding framework in order to make accessing help and resources more straightforward.

156. Given that a number of Departments are responsible for policies and funding which directly affect the Creative Industries, specifically the Department, DETI, DE and DEL, with some witnesses calling for a consortium approach across the Executive so that the industries can be supported in a more unified fashion. However, witnesses made clear that collaboration on the Creative Industries is not just a matter for departments; more broadly, the public sector, industry and further and higher education are currently insufficiently unified in their approaches to policy delivery.
157. In its submission to this Inquiry the Department referred to existing interventions that are cross-departmental but that lacked cross-departmental collaboration and co-ordination. It identified a collective challenge to bring silos together through collaborative working:
- “The diversity within the creative industries means that no one department, agency or representative body can fully realise the sector’s potential in isolation”.*⁸⁸
158. Throughout the course of this Inquiry, written and oral evidence has demonstrated that proper mechanisms are lacking to achieve effective collaboration and co-ordination between industry, academia, government departments, local councils etc. and this was exacerbated by the diversity of the sector. While there was a certain degree of collaboration and co-ordination, stakeholders repeatedly referred to the lack of cohesion between government departments to support the Creative Industries and also reported a need for greater collaboration within the sector itself.

Between and With Government Departments

159. The importance of collaboration across government was recognised as a vital component for maximising the harnessing the potential of the Creative Industries. In written evidence to this Inquiry, the Department provided examples of cross-departmental collaboration. The Committee heard how co-operation between the Department and DETI had *“increased massively”* and DETI provided examples of joint export-driven activity with the Department. Despite increased levels of collaboration and co-ordination, this was not necessarily perceived as the most effective or efficient use of resources to maximise the potential of the creative industries.
160. As has been highlighted previously, the University of Ulster referred to a number of largely successful policies, but noted that at present only parts of the creative ‘landscape’ are viewed at any one time with the result that viewpoints when expressed are dispersed and incoherent. It offers the example that the Department appears to have won the creative aspects, Invest NI the business aspects and DEL the training aspects.
161. Invest NI also supports other major areas of the Creative Industries, including the Digital Content Industry through its Digital Content Sector Strategy and has supported a number of trade development initiatives. The development of a new Music Industry Strategy is being undertaken by Invest NI and supported by the Arts Council and Belfast City Council. Invest NI also supports the Craft Industry and is currently targeting support on developing the economic infrastructure⁸⁹.
162. Again, as previously highlighted, governance and delivery mechanisms have been cited as a particular problem for NI Screen. Multiple funding sources and the numerous accountability mechanisms were reported to be a serious drain on time and resources when the organisation felt that more time spent promoting Northern Ireland as a suitable screen location would be a better use of resources. A plea was made by NI Screen for the

88 DCAL written submission, (Appendix 3)

89 DETI written submission, (Appendix 3)

rationalisation and streamlining of the process so that less time was spent “servicing the ‘governance machine’”.⁹⁰

163. In terms of collaboration and partnerships numerous examples were presented to the Committee of how government departments were working in partnership with other bodies to deliver a number of initiatives. For example, Digital Derry told the Committee how it was increasingly working with the Department in the delivery of a variety of projects including the Culture Tech Fund, the South by Southwest Trade mission and the proposed Festival of Digital Culture. Belfast City Council (BCC) stated it had been successful in developing and running effective collaborative projects ranging from film and television projects with NI Screen, music projects and music projects involving government bodies such as Invest NI, the Department and ACNI. However, despite successful collaboration, BCC pointed out that the environment was “very fragmented when you look at who you have to work with. Having one body to oversee that might be the way to go”⁹¹.
164. The Lyric Theatre and Craft NI also remarked that there was a lack of understanding of the remit and role across government departments and agencies. The Lyric Theatre referred to the need for greater communication and recognition across departments of the benefits of the Creative Industries, given that funding is not just from the Department.
165. NILGA suggested that other regions in the UK had a more streamlined approach to delivery of support interventions in the Creative Industries than in Northern Ireland. It was proposed that one way of improving this would be by way of a thorough scoping of interventions across departments in the sector, with a view to removing duplication, fracturing and maximising the value of investment⁹².
166. On the whole witnesses stressed that collaboration on the Creative Industries was not just a matter for departments and it that it needed to take place to a greater degree between industry and academia. Attendees at the Stakeholder event in Parliament Buildings suggested that the community and voluntary sector should be included as partners.

Between Industry and Academia

167. The DCAL acknowledged that further and higher education was at the fore in providing support to the Creative Industries. However the Department suggested that more could be done by the sector as a whole to address the perception that some institutions are “impenetrable to the creative industries”.⁹³ The Department stated in written evidence that this needed to change by building on pro-active engagement and best practice elsewhere. The Committee noted examples provided during the course of the Inquiry which suggested a degree of successful collaboration and co-ordination between the industry and aspects of academia. The Committee noted that this may be in part due to the efforts of the University of Ulster, Belfast Metropolitan College and others rather than because of policies and processes offered by government.
168. Digital Circle and Momentum referred to their extremely positive relationships with the University of Ulster. They also mentioned a similar relationship with Belfast Metropolitan College and, to a lesser degree, with the other regional colleges. This strong collaborative relationship with the University of Ulster was also referred to by a number of other organisations including Digital Derry, Kabosh and Inlifesize, with particular reference to its Computer Animation Research Laboratory (CARL) that encourages collaboration with the sector to give access to technologies that no single company in Northern Ireland could otherwise afford.

90 Northern Ireland Screen oral submission, (Appendix 2)

91 Belfast City Council oral submission, (Appendix 2)

92 NILGA written submission, (Appendix 3)

93 A Collaborative Framework to Support the Creative Industries, DCAL, December 2011, (Appendix 3)

169. In addition to specific references to University of Ulster, Arts and Business NI (A&BNI) highlighted the work being done by Creative and Cultural Skills (CCS) to ensure vocational and academic qualifications are industry led and that more focus is placed on creativity in the school curriculum. They refer specifically to Arts / Business Commission programme (ABC) designed to support recently graduated artists to develop careers in the private sector. The programme actively encourages businesses to engage with individual artists by practically demonstrating the benefits to be gained from such interactions.
170. CCS noted the importance of collaboration within the industry but stated that there was definitely scope for a much more strategic approach from government as the current complexity of government bureaucracy made it difficult for industry to lead on these matters. Kabosh shared a common view held by a number of other witnesses (the Lyric Theatre; NI Screen; Northern Vision, Ulster Orchestra), namely that there was a “healthy” relationship with educators – particularly at tertiary level, but that the relationship between government and the industry did not work as effectively as it could.
171. Arts and Business NI reported a very productive relationship with the Institute of Directors in terms of their mentoring programme where individual directors can work with a range of different companies in the Creative Industries comprising very small organisations. They informed the Committee that they were also developing a relationship with the CBI and were also exploring ways to link artists with scientists and technologists at an early stage to help them in the design process.

With NESTA

172. In its evidence to this Inquiry, the National Endowment for Science, Technology and the Arts (NESTA) outlined its work on policy research and creative pilots. Despite the potential of their work and the potential benefits to the Creative Industries, NESTA has had a relatively low level of engagement with Northern Ireland departments and arms-length bodies, in comparison to elsewhere in the UK:
- “We do not tend to get a lot of applications from Northern Ireland to UK-wide programmes, which is always quite disappointing to be honest. As a result, there has been a sense on our side that we have not done enough to promote the work that we do across the UK and to explain that we are here as a centre of expertise and learning and really should be used as a resource. We have to push that a bit harder, and...we are very keen to increase our activity in Northern Ireland over the coming period”.⁹⁴*
173. The Committee heard that the NESTA Creative Credits pilot was specifically identified by the Arts Council, as having potential applicability in Northern Ireland but had yet to be rolled out here. The Creative Credits Programme supports innovation and growth within SMEs through knowledge transfer from creative businesses. The pilot, which ran in Manchester throughout 2011/12, is based on a voucher scheme and is designed to operate at a regional level in areas where there is a high concentration of creative firms. ‘Creative credits’ of £4,000 worth of support from a local creative business were awarded in return for £1,000 of investment from any small Manchester-based business.
174. During its visit to Scotland, the Committee also learnt of another successful NESTA programme called ‘Starter for Six’ which had been piloted in Scotland and has now been mainstreamed by the Scottish Cultural Enterprise Office. The programme is similar in size to the Creative Industries Innovation Fund (CIIF) in Northern Ireland, in that it offers up to £10,000 of funding to creative businesses. However, Starter for Six differs in that it also provides specialist business support and a peer mentoring service specifically designed for the creative industries.

94 NESTA oral submission, (Appendix 2)

175. In oral evidence, the DETI concurred that there was insufficient engagement with NESTA in Northern Ireland but that it was making attempts to become more involved with NESTA and also the Technology Strategy Board (TSB). On a more positive note, the DETI informed the Committee that NESTA had run a hyper-local programme recently, and that a local company from Craigavon was one of the winning companies. The Committee is delighted that this Inquiry has highlighted the possibilities around 'Creative Credits' and that the DCAL has subsequently indicated that it intends to run a Creative Credits Pilot⁹⁵.

With Local Councils

176. The Committee was disappointed that only four of 26 local Councils submitted evidence to this Inquiry and queried the role of local councils in supporting Creative Industries at local level. In oral evidence, the Department acknowledged the role of local government, stating that it is critical to the process with local councils often acting as the first point of contact for creative businesses. The Department also acknowledged that more needed to be done to invigorate councils and also local enterprise agencies. They were hopeful that the Collaborative Framework would go some way to address this issue.
177. In contrast, the Committee learnt during its visit to Scotland that there is collaboration and communication between local and central government on cultural matters, particularly in the area of the Creative Industries. A Creative Industries Framework Agreement was published in 2009 setting out the relative responsibilities of various key organisations, including the Convention of Scottish Local Authorities (COSLA). Each of the bodies identified in this agreement play a role in the Scottish Creative Industries Partnership (SCIP). Research commissioned by the Committee, revealed that the current Creative Scotland corporate plan describes a number of areas where strategic work between the organisation and Scottish local authorities is designed to take place, including investment, festivals, and the development of 'place partnerships'. It is noted that the 32 local authorities in Scotland collectively contributed £210m to culture in 2008/09⁹⁶.
178. NILGA stated that local government's role here should be seen as that of an enabler rather than as a provider of subsidies for the Creative Industries. However, NILGA did suggest that local government could be more supportive of artisans, and particularly young entrepreneurs, and that the Forum for Local Government and the Arts (FLGA) could take the lead on this. They also referred to how in Wales, Councils had come up with a way of transferring creative resources across councils which involved sharing staff across council areas where there was most need to support creative businesses. Again, the Committee believes that councils and their economic development bodies must take a more joined-up and collaborative approach to supporting the Creative Industries. Members see the reorganisation and amalgamation of councils that is presented by the Review of Public Administration (RPA) as a unique opportunity to rethink how councils work with stakeholders and work with each other. The Committee wants to see a much more proactive approach by councils and their economic development bodies to signposting guidance and funding opportunities for creative enterprises. Siloed working must become a thing of the past.
179. Belfast City Council demonstrated how it works with Councils of the Metropolitan Area and had jointly submitted an INTERREG bid. They had also supported Derry City Council in its bid to be UK City of Culture in 2013. However, despite a number of successes, the Council's view was that there was a need for a more joined approach at local council level. The Committee noted that Ards Borough Council had an impressive track record in creating and cultivating a "*creative identity for the Borough*". The Council has built a cultural infrastructure around

95 DCAL Briefing on January Monitoring, Hansard, (Appendix 5)

96 Research and Information Services briefing, Overview of Scottish Creative Policies, (Appendix 4)

partnerships. The Council has the 6th largest number of craft businesses of any council on the island of Ireland and they had paved the way for a Northern Ireland wide Craft Month⁹⁷.

180. DETI agreed that there was a role for councils and for Invest NI to work in a closer working partnership with local councils:

“The microbusinesses should be being brought through at council level. The assistance should be at that level and should help them to grow to a stage at which they would be in a position to look at exporting to markets beyond Ireland and the UK. Councils should be taking businesses to that level and then, beyond that, because of the specialist need for an understanding of international markets, there is a role for Invest Northern Ireland in helping businesses to move to that next scale⁹⁸”.

Through Creative Hubs

181. The creation of hubs was seen by many witnesses as a means of dealing with the lack of scale within the Creative Industries and as an effective delivery mechanism. Hubs, or the clustering of businesses, were seen by some as a way of bringing talent and skills together and creating spatial foci with an environment of knowledge-sharing. The Committee heard that some work is already on the ground to set up hubs, similar to Scotland and Wales. In this regard, the Committee welcomed news that Ebrington Square may be developed as a Creative Industries Hub⁹⁹. The Arts Council is hopeful that it will support creative businesses, generate new jobs and provide incubation space for entrepreneurs.

182. DETI informed the Committee of its work to develop hubs:

*“We are trying to put some of the infrastructure in place, and we are looking at some hubs that might work as regards clustering to bring some of those talents and skills together around a centre, and that is happening at the same time”.*¹⁰⁰

183. Invest NI suggested that recent investments in large-scale projects, such as the Titanic Quarter, could act as a catalyst to attract business; thus creating an environment where smaller businesses can feed into and also address the issue of lack of scale.
184. Belfast Metropolitan College (BMC) indicated in their presentation to the Committee that it is trying to create a hub, but the scope for greater co-ordination of such services throughout the sector is still to be addressed. BCC provided an example of a successful ‘Digital Hub Development Agency’ - a government initiative designed to create an international centre of excellence for knowledge, innovation and creativity focused on digital content and technology enterprises in the Republic of Ireland. Delivery against these objectives has been achieved by creating ‘The Digital Hub’. This is a community of people focused on creating innovative, successful digital media products and services which support their future. Companies involved in this Hub have already achieved international acclaim, with 167 companies having progressed through the Hub to date, which have employed over 550 full time staff and 283 part time staff.
185. The value of encouraging greater collaboration was referred to by respondents as well as delegates to both stakeholder events, who suggested that establishing ‘talent hubs’ has been demonstrated to successfully provide sites for innovation and sharing of industry resources. The sharing of resources appeared to provide significant tangible benefits as resources included specialist and prohibitively expensive equipment to which individuals could be given access through these hubs.

97 Ards Borough Council written submission, (Appendix 3)

98 Invest NI oral submission, (Appendix 2)

99 Arts Council of NI written submission, (Appendix 3)

100 Invest NI oral submission, (Appendix 2)

186. The Verbal Arts Centre suggested that peer-to-peer innovation hubs could encourage cross-disciplinary work and the sharing of good practice between companies¹⁰¹. Belfast City Council informed the Committee that it had allocated £4 million for a creative hub to help regenerate certain areas of Belfast, providing much needed incubation space and creating links between students, graduates and existing small businesses. The Council was looking at where it could have a hub or some incubation space at the University of Ulster in the Cathedral Quarter¹⁰².
187. The Committee queried if enough was being done by departments and agencies to foster greater co-operation on an East-West, North-South basis to foster better networking and the sharing of talent and skills. It was suggested that this was particularly important given the lack of capacity and critical mass and insufficient scale across the Creative Industries in Northern Ireland.
188. As referred to earlier, evidence to the Inquiry has pointed to a lack of visibility of the Creative Industries in Northern Ireland. The University of Ulster suggested that a solution to this perceived lack of visibility might be designation of physical ‘creative quarters’, one example of which could centre on the Cathedral Quarter in Belfast. It was argued that one positive consequence of a spatial focus on the creative industries would be the creation of a space where different sub-sectors (such as music, the visual and performing arts, and electronic publishing) could meet and combine to create innovative new products.

By Achieving Cohesion: The Collaborative Framework to Support the Creative Industries

189. As previously outlined, a key perception noted by the Committee throughout this Inquiry was that a more joined up, co-ordinated approach to policy, strategy and delivery mechanisms would be of great value to the sector. As previously indicated, the DCAL and Invest NI are working towards developing a framework for a collaborative approach to the Creative Industries. The draft Collaborative Framework to Support the Creative Industries, published by DCAL in December 2011, aims to achieve greater collaboration and coordination across government. Using the ‘Triple Helix’ model of innovation, the document stresses the importance of collaboration between businesses, universities and the public sector. In written evidence, DCAL highlighted how the Triple Helix model had proved successful in countries with advanced innovation systems. For example, Finland was quoted as having a developed innovation structures to encourage the development of collaboration with the creative industries, ultimately to contribute to stronger innovation performance at national level.
190. The document recognises the importance of establishing the right conditions for the creative industries to grow through the creation of an entrepreneurial culture. The framework refers to:
- “The structural deficiencies in the relationships and interaction between the three key stakeholders [which] are compounded by the diverse range of sub-sectors across the Creative Industries”. It cites the weaknesses: “...in the relationships... and the subsequent multitude of programmes and initiatives by government and academia that aim to support the sector”.¹⁰³*
191. In written evidence, DETI states that the draft Framework, as presented, is intended as a baseline piece of work, which is being led by the DCAL and Invest NI. DETI suggests that the aim of the document is to provide a robust evidence based justification for the proposed framework model¹⁰⁴. The Framework is not a strategy; section one of the draft Collaborative Strategy makes the point that strategic priorities are, instead, provided by the Executive’s

101 Verbal Arts Centre written submission, (Appendix 3)

102 Belfast City Council written submission, (Appendix 3)

103 A Collaborative Framework to Support the Creative Industries, DCAL, December 2011, (Appendix 3)

104 DETI written submission, (Appendix 3)

Economic Strategy and Programme for Government to rebuild and rebalance the economy through export focused growth and priority areas such as stimulating innovation, R&D and creativity. It also implies that strategies are a matter for sub-sectors. The question for the need for a strategy for the Creative Industries was raised on a number of occasions by witnesses in oral and written submission and the stakeholder events. The Department stated that:

*“An over-arching Creative Industries Strategy document, at this time, would not necessarily provide the means to tackle this fragmentation or sufficiently address the needs of specific sub-sectors”.*¹⁰⁵

192. Instead, the Department stressed the need for a Framework that could be responsive and adaptive to support individual sub-sectors and the sector as a whole. They argued that a Creative Industries Strategy document published as recently as 2010 would not have incorporated the impact of products such as iPads on consumer trends and the distribution of creative content. This, they said was particularly relevant, as 70% of the value and most of the growth potential of the creative industries lies in the content and advertising space¹⁰⁶.

193. The Committee heard evidence to support the view that a one-size-fits-all approach would be a ‘blunt tool’ (Craft NI); and that focused and bespoke key interventions and support are required. The diversity and fragmented nature of the sector would make a single strategy difficult to create and implement. Invest NI also cautioned against creating a single strategy for all 13 of the Creative Industries which may:

*“...force certain approaches to industry sectors that do not necessarily lend themselves to that”. In their view, a broader, common framework is: “...probably the correct way forward at the umbrella level”.*¹⁰⁷

194. However, some witnesses advocated a strategy. For example, Belfast City Council said:

*“With budgets to support the growth of the creative industries spread out across a number of government departments, we would advocate strongly for an integrated strategy to promote the sector, supported by ring-fenced budgets at an enhanced level compared to the current provision”*¹⁰⁸.

195. The Committee, while broadly welcoming the draft Framework, agreed that there was potential to build on this document. The Committee was concerned that there was no strategic overview, except that referred to in the Executive’s Economic Strategy and Programme for Government. More specifically, the Committee welcomed the proposal, within the Framework for the Ministerial Advisory Group, which would provide a forum for industry, government and academia to engage and work together in realising the potential of the Creative Industries. The Committee welcomed the inclusion of industry representatives in this group and the industry led sub-sector action teams.

196. However, the Committee noted that the draft Framework does not specify in clear terms what role was to be played in the collaborative network by delivery bodies such as the Arts Council or Northern Ireland Screen. This, Members noted, contrasted to the Scottish Strategy which specifically referred to the role of key organisations and bodies. While the Arts Council expressed support for the Framework and the DCAL’s role in co-ordinating it, they stressed the important role infrastructural support bodies should have in the framework. In the digital sphere, these included Digital Circle and Digital Derry. Craft NI, the Design Alliance and the publishing sector should also have a role.

105 A Collaborative Framework to Support the Creative Industries, DCAL, December 2011, (Appendix 3)

106 Ibid

107 Invest NI oral submission, (Appendix 2)

108 Belfast City Council written submission, (Appendix 3)

197. Belfast City Council stated that for the Creative Industries to grow, measures needed to be put in place to ensure that the right support was given at a time when it was required. They attributed successful collaborations to integrated development and delivery, not only in the management and implementation of the project, but between participants on the various programmes, creating new networks, product ideas, companies and collaborative working infrastructures, which would lead to a highly innovative, creative and lucrative private sector¹⁰⁹.
198. In terms of wider networks, the Committee was disappointed that comparatively little reference was made of interaction with the EU and UK institutions and that little reference was made of themes such as North-South and East-West collaboration. However, Members did note that the Framework takes account of recent changes in other regions of the UK including Creative Scotland and more recently Creative England.
199. The Committee supports the Framework as a first step and welcomes the Department's intention to complete and implement its forthcoming Creative Industries Framework, on conclusion of the Inquiry findings and recommendations. However the Committee is concerned about the lack of clear strategy, clarity of roles, delivery model and implementation plan to support the Framework.
200. **The Committee welcomes the Framework as a first step on the road to greater co-ordination of efforts to support and develop the Creative Industries here. The Committee recommends that:**
- **Greater consideration is given within the draft Framework to developing North-South, East-West and international collaboration that will encourage better networking, co-operation and the sharing of talent and skills;**
 - **The Department, in its leadership role, undertakes a mapping exercise of the Creative Industries to underpin the Framework and provides a basis for the establishment of a time-bound delivery model to implement the Framework. Clarification of the role of infrastructural delivery bodies is also required; and**
 - **The Sector Skills Councils have a central role in the Framework.**
201. **The Committee recommends that, subject to the Department's review of its arms-length bodies, strenuous efforts are made with respect to streamlining and simplifying the existing governance, accountability and funding mechanisms for NI Screen. This recommendation is based on Members' concern that the current complex governance and accountability arrangements for NI Screen may hinder its ability to support and develop the screen industry. The Committee believes that further efforts should be made not only to ensure that NI Screen is better aligned with bodies and mechanisms for economic development, including industry and academia, but that NI Screen also continues to focus on building relevant skills capacity within local communities to ensure that Northern Ireland is equipped to service the needs of the expanding film and television industry here.**
202. **The Committee recommends that the Department engages more proactively with NESTA in exploring evidence-based policy initiatives. Members are aware that there is a desire on the part of NESTA to engage and support and this offer must be thoroughly utilised. Members welcome plans to roll out a Creative Credits NI pilot.**
203. **The Committee recommends that Department tests the concept of creative quarters to act as cluster points for creative enterprises and to encourage collaborative working across sub-sectors which maximise opportunities in rural and urban areas as appropriate. The Department should also consider how to create synergies with the Rural Development Programme, to maximise funding opportunities for creative businesses in rural areas.**

109

Ibid

Comparative Models

Creative Scotland

204. A key perception by the Committee was that greater collaboration and co-ordination had been achieved in Scotland and Wales. As part of this Inquiry the Committee undertook a visit to Scotland, specifically Edinburgh and Dundee, to visit Creative Scotland and to see creative clusters in operation during 2012; this is designated 'The Year of Creative Scotland'. The Committee learned that Creative Industries contribute £3.2bn to the Scottish economy but that indirectly it is closer to £6.3bn, with an estimated 100,000 people working in the industry. This would appear to be one of the key considerations driving strategy and policy.
205. Creative Scotland was established in 2010 by merging the former Scottish Screen and the Scottish Arts Council. In March 2011 *Growth, Talent, Ambition: the Government's Strategy for the Creative Industries*¹¹⁰ was published and set out goals, priorities and objectives for the sector as well as specific barriers that need to be overcome and recommendations in each area. It further sets out a process by which each of the sub sector reference groups was expected to return reports to the Scottish Creative Industries Partnership Group. The Department has likened the sub-sector reference groups to the proposed Industry Action Groups proposed in the draft Framework.
206. The Scottish Government identified the Creative Industries as one of seven key growth sectors in their region, despite recent economic downturns. The founding legislation for Creative Scotland identifies the remit as being to provide research, market intelligence and advocacy and to contribute to policy development. To deliver against its remit it works in partnership with other bodies delivering support to the Creative Industries. In order to streamline this and maximise benefit to the sector, a framework agreement has been set up to clarify the complementary roles and responsibilities of the various stakeholders. The effectiveness of the 'Creative Scotland' initiative was referred to time after time by individual stakeholders but was highlighted particularly by those attending the stakeholder events organised during this Inquiry.
207. The West Belfast Partnership in particular noted there is currently "*no single voice for the sector*" in Northern Ireland and goes on to suggest that this needs to be developed to create greater collaboration and realise the potential within the Creative Industries. The Partnership noted that the sector flourishes through "*connectivity*" because it is made up of so many sole traders who would benefit tremendously from more/ greater networking opportunities. One of the features highlighted was that Scotland has a more developed policy infrastructure for a Creative Industries strategy to draw on and consequently a more joined up streamlined approach. The principle of a single agency responsible for developing, supporting and nurturing the Creative Industries was deemed an attractive option for some in that it would help to focus policy decisions and debates through a single point inside and outside government.
208. In support of adopting a Framework approach, the Department explained that their approach was similar to what Creative Scotland did initially which was to define the roles and responsibilities of their partners, develop connections using an industry led approach through a Framework, established in 2009¹¹¹.
209. While there were numerous calls for a more co-ordinated and simplified approach to supporting the Creative Industries, concern was expressed by NI Screen, ACNI and the DETI who warned about the potential structural and cultural difficulties of merging NI Screen and ACNI. This was based on the experience in Scotland which had taken five years to implement and was fraught with operational, cultural and legislative difficulties. This process, it was

110 Growth, Talent, Ambition: the Government's Strategy for the Creative Industries, (Appendix 5)

111 DCAL oral submission, (Appendix 2)

suggested, was influenced by the need to reduce costs and departments¹¹². NI Screen added that in terms of savings, their running costs compared favourably with Creative Scotland and its former counterpart, Scottish Screen.

210. ACNI and NI Screen argued that they could not see any “*overlap between what the Arts Council does and what Northern Ireland Screen does*”.¹¹³ ACNI and NI Screen both agreed that there was no confusion about the role of both organisations in the sector and where to go for support whether you were a playwright or a screenwriter. NI Screen insisted that there was no duplication in this regard¹¹⁴.

211. Invest NI, sharing similar concerns, argued that a merger would be unlikely and it was more likely to be a ‘takeover’:

*“My concern with having a single organisation is that you are bringing two very diverse operations together; one that is focused on economic return and the other on culture and arts. Both are equally important. My concern is that, if you bring those together, one would dominate, and we would lose some of what we already have”.*¹¹⁵

212. While acknowledging that there were too many bodies, too much bureaucracy and that things were not sufficiently joined up, NI Screen was concerned that a restructuring process could be detrimental to the screen industry and that the Scottish Screen Industry had lost 5 years of development while the structures were changed:

*“This would represent missed opportunities which would vastly outweigh any sense of development”.*¹¹⁶

While agreeing that greater co-ordination was needed, the ACNI said:

*“Unless there is depth to and a hinterland behind a creative Northern Ireland, we would argue that the simple administrative joining of two bodies, which can obviously do better because everybody can always do better, is not necessarily the answer”.*¹¹⁷

213. To address the issue of better co-ordination between the existing entities, DETI suggested establishing a single portal for the Creative Industries to which people could be signposted if they required business support, access to investment and mentoring. Officials provided an example of how this was being achieved by Invest NI through the business portal, NI Business¹¹⁸. The need to streamline and mainstream strategies, policies and delivery mechanisms by way of a strategy was a recurring theme. In addition to the example of Creative Scotland, other examples were provided of strategies or approaches in Wales and England and which were suggested, as being instrumental in successful delivery in those areas.

Wales

214. Wales was an early developer of a Creative Industries policy, with a strategy produced in 2004. This placed an emphasis on intellectual property, with a £7m loan fund to enable the makers of creative content to own the rights of their work. The Committee commissioned research that found that Wales had produced an updated *Creative Industries Strategy* in 2010. The 2010 update placed an emphasis on the digital industries, recommending a firm structure of support with the creation of a Digital Wales Board, a Creative Industries Hub, and 14 sub

112 Ibid

113 DCAL/Arts Council/Northern Ireland Screen oral submission, (Appendix 2)

114 Ibid

115 Invest NI oral submission, (Appendix 2)

116 DCAL/Arts Council/Northern Ireland Screen oral submission, (Appendix 2)

117 Ibid

118 Invest NI oral submission, (Appendix 2)

sectoral ‘spokes’. The Review also proposed greater scrutiny of the £300m allocated to Welsh broadcast media direct from the UK Government¹¹⁹.

215. The Committee note that the shift in emphasis in the Welsh strategies between 2004 and 2010 supports the approach taken by the DCAL in stopping short of putting a full strategy in place to cover the Creative Industries.

Creative London

216. The ‘Creative London Strategy’ was another example, this time cited by Belfast City Council, of how support for the Creative Industries can be co-ordinated successfully. Creative Industries in London alone generate some £21 billion each year and employ over half a million people. Creative London was launched in 2004 by the London Development Agency in recognition of the Sector’s importance to the city. It was established to act as the strategic agency to address some of the barriers identified for relevant businesses. These include lack of access to property on reasonable terms, lack of assistance in negotiating these terms, less access to markets, people and industry information, lack of showcasing and international promotion opportunities, lack of start-up and Intellectual Property advice and lack of seed capital.
217. Belfast City Council questioned whether Belfast should brand itself as a creative city – Creative Belfast – to raise the profile of creative industries here on a national and international basis. Similar to Creative London, a Creative Belfast could potentially have a separate brand for the Creative Sector, with its own website and separate resources

Republic of Ireland

218. The RoI has no specific Creative Industries policy, although the overarching *Building Ireland’s Smart Economy* has a section on ‘Creating the Innovation Island.’¹²⁰ This document contains a slightly wider definition of the Creative Industries by including the wider arts and cultural sectors such as cultural heritage. Despite having no specific Creative Industries policy, the Irish Government and Dublin City Council have produced a number of initiatives to support Creative Industries. For example, Dublin City Council has produced a document in 2010 on *Defining and Valuing Dublin’s Creative Industries*¹²¹.
219. Of interest to the Committee was the ‘Digital Hub Development Agency’ which is a government initiative designed to create an international centre of excellence for knowledge, innovation and creativity focussed on digital content and technology enterprises in the RoI. Delivery against these objectives has been achieved by creating ‘The Digital Hub’, which is a community of people focussed on creating innovative, successful digital media products and services which support their future. Companies involved in the Hub have already achieved international acclaim, with 167 companies having progressed through the Hub, employing over 550 full time staff and 283 part time staff¹²².
220. Inlifesize highlighted a programme announced on 27th October 2011 by the Irish Minister for Jobs, Enterprise and Innovation, valued at €10million, to attract overseas entrepreneurs and encourage them to grow investments within the country. It particularly targets investor-ready projects seeking between €200K and €500K, and those applying must have match funding. The fund was designed to create a strong, indigenous engine of growth and it was noted that nothing similar exists in Northern Ireland.

119 Research and Information Services, *The Creative Industries: background, definitions and recent policy development*, (Appendix 4)

120 Ibid

121 *Defining and Valuing Dublin’s Creative Industries*, (Appendix 5)

122 Belfast City Council written submission, (Appendix 3)

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221. Kabosh highlighted another ROI initiative, namely the 'Culture Ireland' programme, which is a government-funded, independent body in Dublin for promoting Irish art worldwide.
222. Having considered the proposed draft Collaborative Framework and researching models in other parts of the UK and ROI, to stimulate collaborative activity between government, industry and academia, the Committee agreed that there were advantages and disadvantages associated with each of the models.

Comparative Research

223. Groups attending stakeholder events suggested that more research on the Creative Industries in Northern Ireland was needed. They reasoned that at present a lot of research from other regions was being extrapolated to the local situation and there was a danger that it would not always be applicable. The suggestion was that if grassroots research was carried out within the region it would provide a more accurate comparison of local conditions to those of other regions and have a more effective indication as to whether their offerings would work in Northern Ireland. It was stressed that these decisions should be evidence-based and not just taken without detailed consideration.
224. It is the Committee's belief that no one single example shows the way forward; instead Members are keen that best practice should be sourced locally and internationally and used to form a combined model. The Committee is also keen to encourage the continuation of the development of North-South, East-West and international partnerships and joint delivery by the Creative Industries here.

Comparative Private Sector Funding and Funding Issues

225. Several differences and gaps in policies were identified by groups attending the stakeholder events. These centred on incentive schemes, tax credits and tax systems. The Committee heard that more beneficial policies in other regions had resulted greater access to international markets. Specific examples cited were in the Republic of Ireland, where no VAT was applied to ticketing for cultural events or for restoration of buildings, and it was felt that the lack of similar policies in Northern Ireland had prevented the creative industries from competing on a level playing field.
226. Kabosh referred to innovative investment schemes set up by the Scottish and Welsh governments as part of their non-building-based national theatre and suggest something similar would be beneficial within NI. However the Committee noted that the diversity of the sub-sectors associated within the umbrella term of 'Creative Industries', coupled with the fact that strategies and funding are not aligned along the same departmental or ministerial lines, can make it difficult to draw meaningful comparisons with other regions.

Prioritisation within the Sector

227. As has been documented elsewhere, the Creative Industries are very diverse and can be broken down into 13 categories of business. While the main focus of this Inquiry was to look at the wider Creative Industries, evidence was also sought at sub-sector level in respect of any funding and support available; and assessing the validity of prioritising particular industries within the sector for this support.
228. DCAL recognised the importance of acknowledging and supporting the potential of the creative industries sector. However, the Department added that the scale of the challenges involved in rebuilding and rebalancing the economy could justify the prioritisation of key sub-sectors that were best placed to drive improvements in productivity and increase wealth, job

creation and export led economic growth¹²³. This concept is based on ‘smart specialisation’, an important EU innovation policy which identifies a region’s best assets and research and innovation potential and where it can really develop excellence and compete in the global economy.

229. The UK Technology Strategy Board highlighted that in 2009, 70% of the value of most of the growth potential of the Creative Industries sector lay in content (social media, computer games, music, radio and TV, publishing (including e-publishing and performing arts); and advertising space (including display and search)¹²⁴. Creative Skillset stated that:

*“The greatest employment growth in the Creative Industries sector has been witnessed in software development, computer games, interactive media, photo-imaging and electronic publishing”.*¹²⁵

230. Northern Ireland Local Government Association (NILGA) stated that growth in employment in the Creative Industries has been driven mainly by some key accelerators, such as performing and visual arts and design; but recognises that the digital arts sector is now a major investment and employment source. However, opinion on prioritisation within the sector was divided. Some stakeholders favoured the idea of focussing on specific sub-sectors, while other suggested the interdependence of the Creative Industries as a whole. This meant that focus on any one specific sub-sector could prove to be detrimental to others.

231. Belfast City Council identified the following four priority sub-sectors as those which will offer the maximum return on investment and key to driving the local economy: film and television, music, digital media and design¹²⁶. The emphasis on the film industry as a key priority area for Belfast City Council was supported by figures provided by Belfast Metropolitan College. They estimate that the Northern Ireland film industry has the potential to contribute £95m to the NI economy over the next 4 years; and that it has positioned itself as a job creating sector. Creative Skillset also suggested that the film, TV and radio sectors, as well as digital content, have the greatest potential to drive growth and deliver considerable economic benefits which other sub-sectors would benefit from indirectly. This is a view that was echoed by NI Screen, who stated that almost 400 local jobs can be created across a range of activities from film and TV productions, including acting, catering, construction and set design. However, Creative and Cultural Skills suggest that:

*“The performing arts sector could potentially see the largest growth, with projections putting employment at 196% cumulatively from 2010 to 2020”.*¹²⁷

232. Organisations such as Ulster Orchestra, University of Ulster, Weavers Court Business Park (WCBP) and Arts and Business NI agreed that sub-sectors such as advertising and film should be encouraged and incentivised.

233. The Department stated that it *“should not only target science and technology-led innovation but also foster innovation that is non-science based”*.¹²⁸ Applying this approach, the Committee heard how the Creative Industries Innovation Fund (CIIF) over 2011-15, aims to stimulate innovation, R&D and creativity in the economy and encourage export-focused growth by developing the Creative Industries. The Department stated that CIIF would achieve this by supporting commercially viable projects that contribute to the broad objectives of Innovation in Business; Innovation through People; and Innovation through Sectoral Development.

123 DCAL written submission, (Appendix 3)

124 Ibid

125 Creative Skillset written submission, (Appendix 3)

126 Belfast City Council written submission, (Appendix 3)

127 Creative and Cultural Skills, written submission, (Appendix 3)

128 A Collaborative Framework to Support the Creative Industries, DCAL, December 2011, (Appendix 3)

234. The Department provided evidence of the current flourish within the digital sub sectors, citing that 42% (£312 million) of the annual local creative industries GVA (2008) is generated by the software sector and that the Economic Strategy has highlighted that any reduction in Corporation Tax would boost foreign direct investment in the creative industries specifically in areas such as social media / gaming customer support, advertising, and mobile app development.
235. While acknowledging that digital content had been prioritised in the current fund, i.e. 70% of the fund, as this was where the growth potential and value of the creative industries lie, the Department stressed that the value lies in collaborations between art forms and digital areas:
- “It is about providing the content. You could have the best app. designers and the best technical expertise, but it is the content of, and stories behind the digital products that will sell to local and international markets”.*¹²⁹
236. Invest NI informed the Committee that their support of the Creative Industries had been targeted at digital media and the digital media side of the Creative Industries including building an infrastructure around film and television in partnership with Northern Ireland Screen.
237. Supporting the focus on digital media, Digital Circle and Momentum said that by choosing to support digital media it would have wide reaching positive impact on the Creative Industries as a whole, since many traditional Creative Industry sub-sectors now have a digital component such as newspapers, books, fashion, textiles and jewellery design. It was suggested that many such sub sectors are now created digitally at a lower cost using computer aided design and 3-D modelling. The benefit of such processes are many, including being able to perfect design before committing it to time-consuming or expensive manufacturing processes and digital formats having application to a wider market as the product becomes global.
238. As previously highlighted, Invest NI is supporting the Digital Content Sector through the Digital Content Sector Strategy with c£250k of assistance through its Collaborative Networks programme to fund a full-time facilitator for a three year period to work with Digital Circle. The Committee welcomes this initiative and the fact that Collaborative Networks have already been established in e-learning, mobile and gaming¹³⁰.
239. National Museums NI and the Northern Ireland Museums Council were in favour of prioritisation, but in this instance suggested that museums should be the recipient of such a focus as custodians of objects that can be used to trace the development of all 13 sub-sectors. They suggested that such collections could be used to drive product development and to provide stimulus for creative imaginations.
240. In complete contrast to the views outlined above, other stakeholders such as Creative and Cultural Skills (CCS), Jackie Sleator, Kabosh, Workers Educational Association (WEA) and NI Screen cautioned against prioritising the digital sector over more traditional art forms. CCS felt it was important to take a holistic view to the development of the Creative Industries. While they acknowledged that commercial and digital were important, they added that it was important to look at how they how they related to the visual and performing arts.
241. NI Screen suggested that determining whether prioritisation was appropriate was largely dependent on the desired outcome. They suggested that if the objective was to maximise return on investment then it made sense to focus on the most lucrative industries. However, the danger then existed that if the market shifted and there was insufficient flexibility to react in time to such shifts, competitive advantage would be lost. WEA and CCS indicated some

129 DCAL oral submission, (Appendix 2)

130 DETI written submission, (Appendix 3)

sympathy with this approach but noted that if such prioritisation was undertaken there was a need for complete transparency within the Creative Industries as to why it was being done.

242. NI Screen suggested that the most suitable approach was perhaps to focus on certain specific projects to get big returns, while also ensuring that there was some mechanism and infrastructure to facilitate all creativity. They noted that this was particularly important in a sector like the Creative Industries as creativity is spontaneous and the industry can never be certain where the next “big” idea will come from.

Issues relating to sub-sectors

243. While the issue of prioritisation remained unclear from the evidence, there were a number of issues raised in relation to specific sub-sectors. Some policy gaps were identified at sub-sectoral level, particularly where infrastructural support for those sub-sectors was viewed as insufficient.

Design

244. Design is a vibrant sector in Northern Ireland, making up 52% of employment in the Creative Industries. Despite it being a significant economic contributor, witnesses pointed to a lack of a strategic approach to design or design hubs. The Committee heard that it is often perceived as an “add-on” to the economy¹³¹. Despite the importance of design witnessed by an increased commitment to the design agenda by other regions including Design Wales, the Iceland Design Centre and the European Design Innovation Initiative (set up to strengthen the connection between design, innovation and competitiveness), some witnesses complained that there was no design policy in Northern Ireland. Creative and Cultural Skills stated that the design agenda was unclear, because it spanned across every industry and therefore did not fit “neatly” within one government department.
245. In oral evidence, Invest NI was surprised to hear that there had been calls for a design policy. They asserted that they had been quite active regarding a design agenda which they said was cross-sectoral and would be a key area in the development of Northern Ireland’s Creative Industries. They stated that government support is already making a difference. Crucially, private sector investment in design has increased and less government intervention is now required. However Invest NI informed the Committee that it will be investing £2million to support the design agenda across its client companies. They are also moving forward with a new programme which will run from 2012-15 when £3million of public money will be invested in the programme which they anticipate will lever £2million from industry.
246. Despite the increase in design activity by Invest NI, it was felt by some witnesses that there was a need for a design policy which would span a number of departments. Creative and Cultural Skills believe that:

“Repositioning the importance of design within government and developing a design policy, could help the NIA achieve their wider ambition of using ‘creativity to stimulate innovation’.”¹³²

247. They suggested that the Northern Ireland Design Alliance, set up in 2009, would be a good vehicle to enhance strategic design as a crucial part of modern economic and social policy.

Craft

248. The craft sector in Northern Ireland comprises approximately 1,050 craft businesses and makers work in partnership with other Creative Industries including: architectural; interior and

131 Creative and Cultural Skills written submission, (Appendix 3)

132 Ibid

industrial design; fashion; retail and advertising and film and television. Craft Businesses make a significant contribution to culture, arts and industry including the linen industries, construction and architecture and engineering.

249. Craft NI and the Craft Design Collective anticipate that the craft sector in Northern Ireland has suffered from lack of investment/funding compared to other sub-sectors. Craft NI referred to the difficulties of accessing the same level of funding as the arts sector from the National Lottery fund since 1995. However, they stated that the recent availability of the CIIF had provided capital for business growth. They stressed the importance of the ongoing availability of these funds but stated that further consideration should be given to how it can be successfully targeted.
250. Invest NI informed the Committee that they had put in excess of £200,000 into Craft NI to help stimulate craft industries in Northern Ireland and were considering further support packages.
251. A very significant number of craft businesses are located in rural areas (68%) and provide focal points for local communities. However, Craft NI stated that opportunities exist for further expansion of such facilities serving both local communities/audiences and inter/national cultural tourists¹³³. Of concern to the Committee was the claim by the Craft and Design Collective that some craft enterprises seem to fair better than others depending on which Local Enterprise Agency they are associated with.¹³⁴
252. Craft NI commented about a lack of understanding of its remit across departments and agencies which created difficulties in accessing sufficient resources to implement a range of different strategic objectives. It was suggested that there was a need to develop a stronger Northern Ireland quality brand, through Craft NI and others similar to those recognised in GB and ROI. Craft and Design Collective said it was important that people were encouraged to buy locally produced hand-made products.

Festivals

253. In oral evidence, Stendhal Festival of Arts referred to the potential of festivals in contributing to the economy. In 2009 festivals alone were estimated to contribute around £900m to the UK economy. Stendhal suggested to the Committee that festivals should be a separate sub-sector of the creative industries, given their ability to link music, arts, craft and tourism.

Music

254. The music industry generates more than £32m through over 300 events and festivals¹³⁵. However it is still an underdeveloped sector despite recent successes including high profile bands such as General Fiasco, Two Door Cinema Club and Snow Patrol¹³⁶.
255. ACNI stated that there is a need for a music body to replace the Northern Ireland Music Industry Commission, which ceased to exist in 2009. Disappointment and concern was voiced by the former chairperson of the Commission on the lack of progress regarding the creation of structures for the development of the NI Music Industry¹³⁷. The Oh Yeah Music Centre commented that while it did not necessarily see a need for a “full-blown body”, some kind of mechanism whereby the music community can help government departments

133 Craft NI written submission, (Appendix 3)

134 Craft and Design Collection written submission, (Appendix 3)

135 Belfast Metropolitan College written submission, (Appendix 3)

136 DETI written submission, (Appendix 3)

137 Correspondence from John Edmond, October 2012

evolve their strategy work in relation to the music industry would be beneficial. Indeed, they suggested “some sort of advisory forum that could reality-check where strategies are going”¹³⁸.

256. The Ulster Orchestra, Oh Yeah Music Centre and John Edmond thought that insufficient use was being made of musical talent in Northern Ireland by the emerging film, television and animation industries.
257. Throughout this Inquiry the Committee has seen the need for a more joined-up approach to developing and supporting the Creative Industries. Members are therefore very wary of going down the road of creating further bodies that might encourage siloing. The Committee is supportive of greater networking that will encourage the development of synergies and economic benefits across the sub-sectors.

Film

258. NI Screen is the lead organisation in developing the film and television industry in Northern Ireland. NI Screen estimates that its main production fund will return £56.3m to the local economy at a ratio of 6:1, on an investment of £9.2m since the launch of its strategy *Driving Global Growth* in 2010¹³⁹. Recent international investment successes have been secured from HBO ‘Game of Thrones’ which has shot two series.
259. A number of witnesses, but particularly NI Screen, called for the extension of the current tax relief scheme which operates for film production to other screen categories. In particular, NI Screen stated:
- “Obviously, we are on record as being extremely keen to extend tax credits, particularly to embrace high-end television drama such as ‘Game of Thrones’. That is probably the biggest growth area in the global television market...tax incentives for the film and television industry are the single most important lever...The big issue is extending it beyond film to, at the very least, high-end television drama, but, ideally, children’s drama and animation”*.¹⁴⁰
260. During the course of the Inquiry, tax reliefs were announced in the March 2012 budget¹⁴¹ for animation, high-end television and video games industries. The scheme will be subject to State Aid approval from the European Commission, and a series of consultations are still underway regarding the details of the tax relief arrangements. For example, over the summer of 2012 HM Treasury sought views on the overall proposed policy design of the new reliefs.
261. Throughout October 2012, DCMS held three separate consultations focused on the proposed test to identify ‘culturally British’ animation, video games and high-end television that might be considered eligible for the new tax relief. The Committee considers that any additional support could result in sudden production activity which it would warmly welcome. However it is also likely to lead to sudden, significant skills gaps and shortages. While in the short-term many of the additional workers required may potentially be brought in on contract, in the longer term, it will be essential that the development of indigenous talent and skills is fostered and developed.
262. Despite the success of the development of the Paint Hall, as a film studio of international standard, the Committee heard of concerns that the current facilities did not allow for two or more big productions simultaneously which sufficient backlot for external works, outside sets and parking facilities¹⁴²:

138 Oh Yeah Music Centre oral submission, (Appendix 2)

139 NI Screen written submission, (Appendix 3)

140 NI Screen oral submission, (Appendix 2)

141 Executive Summary, HM Treasury Budget 2012, (Appendix 5)

142 CementWorks Film Facilities/John Edmond oral submission, (Appendix 2)

*“by default of we are creating a studio base with no useable backlot and no possibility of delivering such in a busy and very noisy, urban, industrial, airport setting. For some shed-based productions, that may be OK, but to intentionally engineer a situation in which the cast, crew and facilities must career hither and thither unnecessarily is folly, with the result that the essential competitive edge will be lost and the perception of a world-class production facility is just an illusion”.*¹⁴³

Television/Radio

263. The planned growth of network programming to 3% of the BBC network television total by 2016 was regarded as a significant development for BBC NI and the wider broadcast/creative sector. In 2010/11 BBCNI delivered 656 hours of programming on local television and 9,470 hours of output on BBC Radio Ulster/Foyle; commissioned 68.7 hours of television programmes from the local independent productions sector (with a value of £6.35million)¹⁴⁴. Furthermore the BBC has invested £750k to support the work of the Ulster Orchestra.
264. BBC NI stated that their network ambitions were ‘critically dependent’ on the independent production sector in Northern Ireland and that they had been working with the sector to improve its competitiveness and long-term sustainability. Partnership working would also be a key means by which to achieve the required savings of equivalent to £6.9 million¹⁴⁵. Other forms of partnerships included the Ulster Orchestra, which, was viewed by the Committee as strategically important to the promotion of culture in the absence of a BBC Northern Ireland Orchestra.
265. The Committee sees BBC NI’s designation as one of five BBC main UK production centres as an important recognition of its place as a creative and cultural hub. However the Committee was disappointed that, to date, its designation as a UK production centre has arguably not maximised the development of a creative infrastructure and increased network production to the same degree as other centres such as BBC Salford and BBC Wales. However the Committee notes and welcomes plans by the DETI to create a media hub which will involve NI Screen.
266. The Committee welcomes BBC NI’s aim to increase network production and secure the long-term viability of local programming making. As BBC NI states, the momentum needs to quicken and be sustained. The production company Below the Radar however commented on inadequate commissioning of local content from the major broadcasters in Northern Ireland, suggesting a three-pronged approach to this perceived shortcoming:
- The establishment of a Northern Ireland Production Fund to secure and support the future of public service content of all genres on television and radio;
 - The creation of a single fund to cover all public service output in Northern Ireland outside BBC NI including productions about history, arts and religion or science films; children’s programmes and news and current affairs; and
 - A sub-committee of the Committee to specifically engage with support and monitor the supply of content to UK network channels including BBC and Channel 4.
267. The Committee noted that despite these shortcomings, AIM High, a partnership with Creative Skillset, NI Screen and the local independent production sector, had been tasked to identify and develop new talent.

143 Ibid

144 BBC written submission, (Appendix 3)

145 Ibid

268. **With regard to the Creative Industries ‘sub-sectors’, the Committee recommends:**
- **The commissioning of a cross-departmental design policy, in collaboration with NI Design Alliance, and that consideration is given to developing and supporting a design hub from which government departments and other public authorities could seek advice on how best to enhance the design industries within their remit. The Committee welcomes the work of Invest NI in advancing the design agenda;**
 - **That government departments, agencies and local authorities should play a key role in the Craft & Design Collective’s ‘Made BUY Hand Locally’ Campaign by setting an example and choosing to give locally made crafts over imported brands as gifts, as required;**
 - **That the relevant bodies in the emerging film, television and animation industries should consider establishing a mechanism to improve links with the music industry to maximise the use of local musical talent as opposed to looking outside Northern Ireland and that this mechanism should feed into the wider branding and ‘one-stop-shop’ approach;**
 - **That the Department works closely with NI Screen in advocating to HM Treasury that the extension of tax credits proposals are designed and administered in a way which will be of maximum benefit; specifically ensuring that NI Screen and Digital Circle have sufficient support so that the television, animation and video games sectors can fully capitalise on these tax credits. While the Committee welcomes the tax relief proposals, Members would urge the Department to continue to press for the extension of the proposals to other forms of television production; and**
 - **That Invest NI and NI Screen seek to capitalise on the existing studio/filming infrastructure here and consider what options are necessary in future studio provision to enable the Northern Ireland Film industry to retain its competitive edge in the international film industry.**
269. **The Committee recommends that the BBC NI continues to work in close partnership with Creative Skillset, NI Screen and the local independent production sector and other producers to identify and develop new talent in a co-ordinated manner which will complement media-related courses and training opportunities elsewhere and works to increase the level of commissioning of local content and output.**
270. **The Committee recommends that the Ulster Orchestra continues and further develops plans to grow its audience through new initiatives and increased North-South, East-west and international collaborations. Members believe that this raising of the orchestra’s profile will assist in increasing corporate sponsorship opportunities. The Committee further recommends that the Department works closely with the orchestra to help it develop links with relevant Executive Departments and their associated bodies and responsible organisations which could expand funding opportunities and to use the Executive’s connections in neighbouring jurisdictions and internationally to raise the profile of the orchestra with a view to attracting additional funding.**



Northern Ireland
Assembly

Appendix 1

Minutes of Proceedings

Thursday 8 September 2011

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mr David Hilditch MLA
Mr Cathal Ó hOisín MLA
Mr William Irwin MLA
Mr Michael McGimpsey MLA
Mr Pat Sheehan MLA
Mr Robin Swann MLA

Apologies: Mrs Brenda Hale MLA
Mr Gerry Kelly MLA
Ms Karen McKeivitt MLA

In attendance: Ms Lucia Wilson (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.34am The meeting opened in closed session.

6. Briefing from Assembly Research and Information Services regarding Creative Industries

The Committee noted the Research and Information Service background paper on Creative Industries.

Dr Dan Hull spoke to his background briefing paper on Creative Industries.

A question and answer session followed.

Agreed: The Committee agreed that terms of reference should be drafted for an inquiry into the creative industries.

Agreed: The Committee agreed to write to the Department seeking clarification on administration costs of the Creative Industries Innovation Fund; and details of the evaluation that was undertaken.

[EXTRACT]

Thursday 15 September 2011 Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mr David Hilditch MLA
Mr Michael McGimpsey MLA
Ms Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Pat Sheehan MLA
Mr Robin Swann MLA

Apologies: Mrs Brenda Hale MLA
Mr William Irwin MLA
Mr Cathal Ó hOisín MLA

In attendance: Ms Lucia Wilson (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.32am The meeting opened in open session.

6. Committee's Inquiry into Creative Industries

The Committee considered the draft terms of reference for the Committee Inquiry into Creative Industries.

Agreed: The Committee agreed that the terms of reference should be refined; and that the methodology and timescale of the review should be considered at its meeting on 29 September.

[EXTRACT]

Thursday 13 October 2011

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mrs Brenda Hale MLA
Mr William Irwin MLA
Mr Michael McGimpsey MLA
Mr Oliver McMullan MLA
Mr Cathal Ó hOisín MLA
Mr Pat Sheehan MLA
Mr Robin Swann MLA

Apologies: Mr David Hilditch
Ms Karen McKeivitt MLA

In attendance: Ms Lucia Wilson (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Mark O'Hare (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.37am The meeting opened in public session.

7. Committee's inquiry into Creative Industries

The Committee noted the Research papers and the Clerk's paper.

Agreed: The Committee agreed the draft terms of reference for the Creative Industries Inquiry, subject to the inclusion of tax credits and education in bullet point 3.

Agreed: The Committee agreed to use the research paper as a base for identifying key stakeholders of the Inquiry; and to include District Councils, Education and Library Boards; the Careers Service; the Rural Community Network and publishers.

Agreed: The Committee agreed to the draft timeline for the Inquiry.

Agreed: The Committee agreed that the title of the Inquiry should be: Inquiry into Maximising the Potential of the Creative Industries.

Agreed: The Committee agreed to announce the Inquiry using a press release and social and digital medias; and that a Public Notice would not be issued.

Agreed: The Committee agreed to target the press release at arts editors within local newspapers.

Agreed: The draft Press Release was agreed.

[EXTRACT]

Thursday 20 October 2011

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr Michael McGimpsey MLA
Mr Oliver McMullan MLA
Mr Cathal Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr Dominic Bradley MLA
Mr William Irwin MLA
Ms Karen McKeivitt MLA
Mr Pat Sheehan MLA

In attendance: Ms Lucia Wilson (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.41am The meeting opened in closed session.

6. Committee's Inquiry on Maximising the Potential of the Creative Industries

The Clerk provided an update to the Committee on the progress of the launch of the Committee's Inquiry into Creative Industries.

[EXTRACT]

Thursday 24 November 2011

The Whittaker Room, Guildhall, Londonderry

Present: Miss Michelle McIlveen MLA (Chairperson)
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Ms Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathal Ó hOisín MLA

Apologies: Mr Dominic Bradley MLA
Mr William Irwin MLA
Mr Michael McGimpsey MLA
Mr Pat Sheehan MLA
Mr Robin Swann MLA

In attendance: Mr Kevin Shiels (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

11.00am The meeting opened in public session.

6. Committee Inquiry into Maximising the Potential of the Creative Industries

Agreed: The Committee agreed to write to the Committee for Employment and Learning when written submissions are received, to outline the key issues relating to the Employment and Learning remit and provide them with an opportunity to submit a written response.

Ms Michelle McIlveen

Chairperson, Committee for Culture, Arts and Leisure

01 December 2011

[EXTRACT]

Thursday 6 December 2011

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr William Irwin MLA (Deputy Chairperson)
Mr Dominic Bradley MLA
Mr David Hilditch MLA
Mr William Humphrey MLA
Ms Rosaleen McCorley MLA
Mr Michael McGimpsey MLA
Mr Oliver McMullan MLA
Mr Cathal Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mrs Karen McKeivitt MLA

In attendance: Mr Peter Hall (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.33am The meeting opened in public session.

Briefing from DCAL regarding Creative Industries Framework

10.41am The following officials joined the meeting:

Director of Culture, Mr Arthur Scott;

Head of Arts Branch, Ms Joanna McConway; and

Head of Creative Industries, Mr Stephen McGowan.

The officials briefed the Committee.

A question and answer session followed.

11.23am The officials left the meeting.

[EXTRACT]

Thursday 12 January 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr William Irwin MLA
Mr Michael McGimpsey MLA
Ms Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathal Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr Pat Sheehan MLA

In attendance: Mr Kevin Shiels (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.40am The meeting opened in public session.

5. Committee Inquiry into Maximising the Potential of the Creative Industries

The Committee noted the number of written submissions received to the consultation on the Inquiry and the timeline for key milestones over the next few weeks.

[EXTRACT]

Thursday 26 January 2012

The Manor House, Ulster Folk & Transport Museum

Present: Miss Michelle McIlveen MLA (Chairperson)
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr Michael McGimpsey MLA
Mr Oliver McMullan MLA
Ms Karen McKeivitt MLA
Mr Cathal Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr Dominic Bradley MLA
Mr William Irwin MLA
Mr Pat Sheehan MLA

In attendance: Ms Alison Ross (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.18am The meeting opened in closed session.

11.29am The meeting moved into open session.

6. Update on Inquiry into Maximising the Potential of the Creative Industries

The Clerk spoke to her memo.

Agreed: The Committee agreed to finalise a list of those organisations that it intends to invite to give oral evidence to the Committee at its meeting of 2 February 2012.

[EXTRACT]

Thursday 2 February 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr William Irwin MLA
Mr Oliver McMullan MLA
Ms Karen McKeivitt MLA
Mr Cathal Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr Michael McGimpsey MLA
Mr Pat Sheehan MLA

In attendance: Ms Alison Ross (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.42am The meeting opened.

4. Committee Inquiry into Maximising the Potential of the Creative Industries

a. Consideration of Witnesses for Oral Evidence Sessions

Agreed: The Committee agreed the list of organisations it intended to invite to give oral evidence to the Committee as part of its Inquiry.

b. Briefing from the Department on its Response to the Creative Industries Inquiry

11.03am The following officials joined the meeting:

Head of Arts Branch, Ms Joanne McConway; and

Head of Creative Industries, Mr Stephen McGowan.

The officials briefed the Committee.

A question and answer session followed.

[EXTRACT]

Thursday 9 February 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mr David Hilditch MLA
Mr William Irwin MLA
Mr Oliver McMullan MLA
Ms Karen McKeivitt MLA
Mr Pat Sheehan MLA
Mr Robin Swann MLA

Apologies: Mrs Brenda Hale MLA
Mr Michael McGimpsey MLA
Mr Cathal Ó hOisín MLA

In attendance: Ms Alison Ross (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.35am The meeting opened in closed session.

10.37am The meeting moved into open session.

4. Committee Inquiry into Maximising the Potential of the Creative Industries

a. Briefing from Belfast City Council on its Response to the Creative Industries Inquiry

10.44am The following official joined the meeting:

- Creative Industries Officer, Mr Brendan McGoran.

The official briefed the Committee.

A question and answer session followed.

11.38am The official left the meeting.

b. Briefing from Craft NI on its Response to the Creative Industries Inquiry

11.39am The following official joined the meeting:

- Director, Mr Joe Kelly.

The official briefed the Committee.

A question and answer session followed.

12.08pm The officials left the meeting.

[EXTRACT]

Thursday 1 March 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr William Irwin MLA
Ms Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathal Ó hOisín MLA

Apologies: Mr Michael McGimpsey MLA
Mr Pat Sheehan MLA
Mr Robin Swann MLA

In attendance: Ms Lucia Wilson (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.39am The meeting opened.

4. NI Theatre Association briefing regarding the Committee's Inquiry into maximizing the potential of the creative industries

10.45am The following officials joined the meeting:

Mr Stephen Beggs, Manager of Bruiser Theatre Company;
Ms Eimear Henry, Replay Productions; and
Ms Charlotte Smith, NITA Coordinator.

The officials briefed the Committee.

A question and answer session followed.

11.36am The officials left the meeting.

[EXTRACT]

Thursday 8 March 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mr Michael McGimpsey MLA
Mr Oliver McMullan MLA
Mr Cathal Ó hOisín MLA
Mr Pat Sheehan MLA
Mr Robin Swann MLA

Apologies: Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr William Irwin MLA
Ms Karen McKeivitt MLA

In attendance: Ms Lucia Wilson (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.37am The meeting opened.

5. NI Screen briefing regarding the Committee Inquiry into Maximising the Potential of the Creative Industries in Northern Ireland

10.51am The following officials joined the meeting:

Chairman, Mr Rick Hill; and

Chief Executive, Mr Richard Williams.

The officials briefed the Committee.

Agreed: Officials agreed to provide to the Committee reports of the debate regarding extending tax credits to include high level television drama.

A question and answer session followed.

[EXTRACT]

Thursday 22 March 2012

The Town Hall, Bangor

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr William Irwin MLA
Ms Karen McKeivitt MLA
Mr Michael McGimpsey MLA
Mr Oliver McMullan MLA
Mr Robin Swann MLA

Apologies: Mr Cathal Ó hOisín MLA
Mr Pat Sheehan MLA

In attendance: Ms Lucia Wilson (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.40am The meeting opened.

5. Committee Inquiry into Maximising the Potential of Creative Industries in Northern Ireland

Agreed: The Committee agreed to forward the European Commission document Call for Proposals: European Creative Districts onto the following organisations: Arts Council, NI Screen, Digital Circle, Craft NI, Queens University of Belfast and the University of Ulster.

6. Briefing from Digital Circle regarding Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

10.55am The following officials joined the meeting:

Collaborative Network Facilitator, Mr Matt Johnston;

Director of Learning Pool, Ms Mary McKenna; and

CEO of Momentum, Dr Ian Graham.

The officials briefed the Committee.

A question and answer session followed.

11.45am The officials left the meeting.

6. Briefing from Queen's University Belfast regarding Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

11.48am The following officials joined the meeting:

Pro-Vice-Chancellor for Academic Planning, Staffing and External Relations, Prof. Tony Gallagher;

Head of School of Creative Arts, Prof. Michael Alcorn; and

Director of the Naughton Gallery, Ms Shan McAnena.

The officials briefed the Committee.

A question and answer session followed.

[EXTRACT]

Thursday 29 March 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr David Hilditch MLA
Mr William Irwin MLA
Ms Karen McKeivitt MLA
Mr Michael McGimpsey MLA
Mr Oliver McMullan MLA
Mr Cathál Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr Dominic Bradley MLA
Mrs Brenda Hale MLA
Mr Pat Sheehan MLA

In attendance: Ms Lucia Wilson (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.45am The meeting opened.

4. Briefing from the Ulster Orchestra regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

10.50am The following officials joined the meeting:

Chairman, Professor Sir George Bain; and

Member of Board of Directors, Mr Dick Mackenzie.

The officials briefed the Committee.

A question and answer session followed.

5. Briefing from Stendhal Arts Festival regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

11.53am The following officials joined the meeting:

Project Director, Mr Ross Parkhill; and

PR & Communications Director, Mr John Cartwright.

The officials briefed the Committee.

A question and answer session followed.

6. Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

The Committee noted reports on the two stakeholder events held as part of the Creative Industries inquiry on 23 February 2012 and 15 March 2012.

[EXTRACT]

Thursday 19 April 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr David Hilditch MLA
Mrs Brenda Hale MLA
Mr William Irwin MLA
Ms Karen McKeivitt MLA
Mr Michael McGimpsey MLA
Mr Cathál Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr Dominic Bradley MLA
Mr Oliver McMullan MLA
Mr Pat Sheehan MLA

In attendance: Ms Lucia Wilson (Clerk)
Miss Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.20am The meeting opened.

4. Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

Agreed: The Committee agreed to schedule a briefing from a film and music practitioner and also from the Association of Film and Television NI.

The Committee noted the correspondence from the Workers' Educational Association.

5. Briefing from Kabosh Theatre Company regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

10.27am The following official joined the meeting:

Artistic Director, Ms Paula McFetridge.

The official briefed the Committee.

A question and answer session followed.

11.15am The official left the meeting.

6. Briefing from Oh Yeah Music Centre regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

11.16am The following officials joined the meeting:

Chair of Oh Yeah Music Centre, Mr John Darcy;

CEO of Oh Yeah Music Centre, Mr Stuart Bailie;

Musician, Ms Shauna Tohill; and

Label Manager of Small Town America Records, Ms Charlene Hegarty.

The officials briefed the Committee.

A question and answer session followed.

Agreed: It was agreed that: officials from Oh Yeah Music Centre would provide the Committee with case studies; and that it would host a visit from the Committee.

12.12pm The officials left the meeting.

[EXTRACT]

Thursday 26 April 2012

Room 21, Parliament Buildings

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

Apologies: Ms Karen McKeivitt MLA
Mr Pat Sheehan MLA

In attendance: Ms Lucia Wilson (Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Bill Kinnear (Clerical Officer)
Mr Chris Baird (Clerical Officer)

10.06am The meeting opened.

4. Briefing from the University of Ulster regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

10.09am The following officials joined the meeting:

Prof. Greg Lloyd, School of the Built Environment;

Prof. Ian Montgomery, Faculty of Art, Design and the Built Environment;

Dr Colm Murphy, Head of School of Media, Film and Journalism; and

Mr Tim Brundle, Director of Innovation.

The officials briefed the Committee.

A question and answer session followed.

11.15am The officials left the meeting.

5. Briefing from Creative Skillset and Creative & Cultural Skills regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

11.16am The following officials joined the meeting:

Mr Ian Kennedy, Head of Stakeholder Partnerships NI, Creative Skillset;

Mr Alasdair Smith, Director, Scotland, Creative Skillset;

Ms Sara Graham, Northern Ireland Manager, Creative and Cultural Skills; and

Mr Simon Dancey, Nations Director, Creative and Cultural Skills.

The officials briefed the Committee.

A question and answer session followed.

12.22pm The officials left the meeting.

[EXTRACT]

Thursday 3 May 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mrs Brenda Hale MLA
Mr Michael McGimpsey MLA
Ms Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Robin Swann MLA

Apologies: Mr David Hilditch MLA
Mr William Irwin MLA
Mr Cathál Ó hOisín MLA
Mr Pat Sheehan MLA

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Assistance Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.13am The meeting opened.

7. Briefing from NESTA regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

10.26am The following officials joined the meeting:

Director of Creative Industries Research, Mr Hasan Bakhshi; and
Communications Manager, Mr Graeme Downie.

The officials briefed the Committee.

A question and answer session followed.

11.20am The officials left the meeting.

11.20am The Chairperson suspended the meeting.

11.25am The Chairperson resumed the meeting in open session.

8. Briefing from Landscape Institute regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

11.25am The following officials joined the meeting:

President, Mr Jo Watkins;

Chief Executive, Mr Alastair McCapra;

Advisory Council, Mr Peter Hutchinson; and

Policy Representative, Mr Pete Mullin.

The officials briefed the Committee.

A question and answer session followed.

12.25pm The officials left the meeting.

[EXTRACT]

Thursday 17 May 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Ms Karen McKeivitt MLA
Mr Cathál Ó hOisín MLA

Apologies: Mr William Irwin MLA
Mr Michael McGimpsey MLA
Mr Oliver McMullan MLA
Mr Pat Sheehan MLA
Mr Robin Swann MLA

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Assistance Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.40am The meeting opened.

5. Briefing from Arts Council of Northern Ireland regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

11.03am The following officials joined the meeting:

Chief Executive, Ms Roisin McDonough;

Director of Operations, Ms Lorraine McDowell; and

Director of Strategic Development, Mr Nick Livingston.

The officials briefed the Committee.

A question and answer session followed.

Agreed: Officials agreed to provide the concept note on the UK City of Culture project.

12.07pm The officials left the meeting.

6. Joint briefing from John Anderson and John Edmund regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

12.16pm The following officials joined the meeting:

Partner in CementWorks Film Facilities, Mr John Anderson; and

Consultant, Mr John Edmund.

The officials briefed the Committee.

A question and answer session followed.

Mr Cathál Ó hOisín made a declaration of his involvement in the Irish Language Broadcast Fund.

12.46pm The officials left the meeting.

Agreed: The Committee agreed to write to the Department to request of a copy of the Film Industry Infrastructure Report.

7. Research and Information Services Briefing on Potential Options for a Committee Visit

The Committee noted the paper from Research and Information Services on the potential options for a Committee visit.

The Committee agreed that the Clerk should prepare a draft programme for a visit to Scotland.

[EXTRACT]

Thursday 24 May 2012

e3 Building, Belfast Metropolitan College

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mr William Irwin MLA
Mr David Hilditch MLA
Ms Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Pat Sheehan MLA
Mr Robin Swann MLA

Apologies: Mrs Brenda Hale MLA
Mr Michael McGimpsey MLA
Mr Catháil Ó hOisín MLA

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Assistance Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

11.39am The meeting opened.

4. Briefing from Belfast Metropolitan College regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

11.42am The following officials joined the meeting:

Director of Curriculum and Assistant CEO, Mr Justin Edwards;

Director of Development & Learner Services, Mr Damian Duffy; and

Head of Corporate Development, Ms Gillian Magee.

The officials briefed the Committee.

A question and answer session followed.

12.32pm The officials left the meeting.

[EXTRACT]

Thursday 31 May 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr William Irwin MLA
Mr Michael McGimpsey MLA
Ms Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathál Ó hOisín MLA
Mr Pat Sheehan MLA
Mr Robin Swann MLA

Apologies: Mr Dominic Bradley MLA

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.38am The meeting opened in public session.

4. Briefing from Association of Film & Television NI regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

10.41am The following officials joined the meeting:

Chair, Mr Micky O'Neill; and

Vice Chair, Mr Roger Fitzpatrick.

The officials briefed the Committee.

A question and answer session followed.

11.15am The officials left the meeting.

The Clerk outlined details of the Committee visit to Scotland.

Agreed: The Committee agreed that an Assembly Researcher should accompany the Committee on the visit, to assist in the development of a research paper.

[EXTRACT]

Thursday 7 June 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr William Irwin MLA
Ms Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Robin Swann MLA

Apologies: Mr Michael McGimpsey MLA
Mr Cathál Ó hOisín MLA
Mr Pat Sheehan MLA

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.37am The meeting opened in public session.

4. Briefing from Arts and Business NI regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

10.44am The following officials joined the meeting:

Chief Executive, Ms Mary Trainor-Nagelle;

Chair, Ms Joanne Stuart;

Arts Manager, Ms Brona Whittaker.

The officials briefed the Committee.

A question and answer session followed.

5. Assembly Research and Information Services Briefing on DCAL's Creative Industries Framework and the Scottish Creative Industries Strategy

11.36am The following official joined the meeting:

Dr Dan Hull, Assembly researcher

The official briefed the Committee.

A question and answer session followed.

[EXTRACT]

Thursday 21 June 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr Michael McGimpsey MLA
Mrs Karen McKeivitt MLA
Mr Cathál Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr Dominic Bradley MLA
Mr William Irwin MLA
Mr Oliver McMullan MLA
Mr Pat Sheehan MLA

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Chris Baird (Clerical Officer)

10.42am The meeting opened in public session.

4. Briefing from NILGA regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries in Northern Ireland

10.48am The following officials joined the meeting:

Chief Executive, Mr Derek McCallan; and

European Officer, Ms Karine McGuckin.

The officials briefed the Committee.

A question and answer session followed.

Agreed: The Clerk agreed to inform the Committee of whether the Local Government and Arts Forum had responded to the Committee's inquiry into the creative industries.

5. Written Paper from Oh Yeah Music Centre

The Committee noted the paper from Oh Yeah Music Centre providing details on music centres, creative hubs and music exhibitions.

[EXTRACT]

Thursday 28 June 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mr William Irwin MLA
Mrs Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathál Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr Michael McGimpsey MLA
Mr Pat Sheehan MLA

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Mark O'Hare (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.43am The meeting opened in public session.

4. Briefing from Assembly Research and Information Services regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries

10.50am The following official joined the meeting:

Assembly Researcher, Dr Dan Hull.

The official briefed the Committee.

10.58am The official left the meeting.

5. Briefing from Digital Derry regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries

10.58am The following official joined the meeting:

Digital Champion, Mr Mark Nagurski.

The official briefed the Committee.

A question and answer session followed.

11.26am The official left the meeting.

6. Briefing from the Department of Education regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries

11.31am The following officials joined the meeting:

Director of Curriculum, Qualifications and Standards, Mr Adrian Arbuthnot;

Head of Curriculum Support Team, Ms Sharon Lawlor; and

Head of Curriculum Development Team, Mr Russell Welsh.

The officials briefed the Committee.

A question and answer session followed.

12.03pm The officials left the meeting.

[EXTRACT]

Thursday 5 July 2012

Room 21, Parliament Buildings

Present: Ms Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr Oliver McMullan MLA
Mr Cathál Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr William Irwin MLA
Mrs Karen McKeivitt MLA
Mr Michael McGimpsey MLA
Mr Pat Sheehan MLA

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.10am The meeting opened in public session.

5. Committee Report on its Visit to Scotland

The Committee noted the report on its visit to Scotland.

6. Briefing from Department of Enterprise, Trade and Investment regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries

10.58am The following officials joined the meeting:

Invest NI Director Technology and Services, Mr Brian Dolaghan;

Invest NI Client Executive, TV Film & Digital, Mr Martin Adair; and

Invest NI Client Manager, Ms Tracey Walsh.

The officials briefed the Committee.

A question and answer session followed.

Agreed: Officials agreed to provide to the Committee details of Local Economic Development (LED) money and how it can be accessed.

11.48am The meeting was suspended.

11.55am The meeting resumed in open session.

7. Briefing from the Department of Culture, Arts and Leisure regarding the Committee Inquiry into Maximizing the Potential of the Creative Industries

11.55am The following officials joined the meeting:

Head of Creative Industries and Innovation, DCAL, Mr Stephen McGowan;

Chief Executive, Arts Council, Ms Roisin McDonough; and

Chief Executive, NI Screen, Mr Richard Williams.

The officials briefed the Committee.

A question and answer session followed.

12.58pm The officials left the meeting.

[EXTRACT]

Thursday 6 September 2012

Room 21, Parliament Buildings

Present: Ms Michelle McIlveen MLA (Chairperson)
Mrs Brenda Hale MLA
Mr David Hilditch MLA
Mr Michael McGimpsey MLA
Mrs Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathál Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr Dominic Bradley MLA
Mr William Irwin MLA
Mr Pat Sheehan MLA

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.40am The meeting opened in closed session.

5. Inquiry into maximizing the potential of the creative industries in Northern Ireland

The Committee noted the written briefing from the Department of Employment and Learning addressing the issues that were raised throughout the inquiry relating to the employment and learning remit.

The Committee noted correspondence from Invest NI, providing details on the LED programme.

[EXTRACT]

Thursday 8 November 2012

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr William Irwin MLA (Deputy Chairperson)
Mr Dominic Bradley MLA
Mr William Humphrey MLA
Mr David Hilditch MLA
Ms Rosaleen McCorley MLA
Mr Michael McGimpsey MLA
Mrs Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathál Ó hOisín MLA
Mr Robin Swann MLA

Apologies: None

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Acting Clerk)
Mr Jonathan Lamont (Acting Assistant Clerk)
Mr Chris Baird (Acting Clerical Supervisor)

10.35am The meeting opened in public session.

11. Committee Inquiry into Creative Industries

10.35am The Committee moved into closed session.

The Committee received a briefing on the Committee report.

Members were advised that the Committee would return to the report at a later date to formally agree the recommendations.

12.45pm The Committee moved into public session.

[EXTRACT]

Tuesday 20 November 2012

Room 30, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr William Irwin MLA (Deputy Chairperson)
Mr Dominic Bradley MLA
Mr William Humphrey MLA
Mr David Hilditch MLA
Ms Rosaleen McCorley MLA
Mrs Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathál Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr Michael McGimpsey MLA

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Acting Clerk)
Mr Jonathan Lamont (Acting Assistant Clerk)
Mr Chris Baird (Acting Clerical Supervisor)

10.17am The meeting opened in closed session.

2. Consideration of the Committee's Report into its Inquiry on Maximising the Potential of the Creative Industries

The Committee received a briefing on the draft report.

10.36am The meeting was suspended.

10.56am The meeting resumed in closed session.

Following the briefing, there was discussion on the draft recommendations.

Agreed: The Committee agreed to schedule a meeting on Tuesday 27 November 2012 to consider the draft report.

[EXTRACT]

Tuesday 27 November 2012

Room 29, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mr William Humphrey MLA
Mr Michael McGimpsey MLA
Mrs Karen McKeivitt MLA
Mr Cathál Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr David Hilditch MLA
Mr William Irwin MLA (Deputy Chairperson)
Ms Rosaleen McCorley MLA
Mr Oliver McMullan MLA

In attendance: Ms Lucia Wilson (Clerk)
Ms Ciara McKay (Acting Clerk)
Mr Jonathan Lamont (Acting Assistant Clerk)
Mr Chris Baird (Acting Clerical Supervisor)

10.20am The meeting opened in closed session.

2. Consideration of the Committee's Report into its Inquiry on Maximising the Potential of the Creative Industries

The Committee received a briefing on the draft report.

Following the briefing, there was discussion on the draft recommendations.

Mr William Humphrey declared an interest as a member of Belfast City Council.

Agreed: The Committee agreed to schedule a meeting on Tuesday 04 December 2012 to further consider the draft report.

[EXTRACT]

Thursday 10 January 2013

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr David Hilditch MLA
Mr William Humphrey MLA
Mrs Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathal Ó hOisín MLA

Apologies: Mr William Irwin MLA (Deputy Chairperson)
Mr Dominic Bradley MLA
Ms Rosaleen McCorley MLA
Mr Michael McGimpsey MLA
Mr Robin Swann MLA

In attendance: Mr Peter Hall (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.41am The meeting opened in public session.

11. Consideration of Draft Report of Committee Inquiry into Maximising the Potential of the Creative Industries

The Clerk briefed Members on the changes to the draft recommendations.

There was discussion around the draft recommendations.

Mr William Humphrey declared an interest as a Member of Belfast City Council.

Agreed: The Committee agreed to consider the draft recommendations and Executive Summary at the Committee meeting of 17 January 2013.

[EXTRACT]

Thursday 24 January 2013

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr William Irwin MLA (Deputy Chairperson)
Mr Dominic Bradley MLA
Mr David Hilditch MLA
Ms Rosaleen McCorley MLA
Mr Michael McGimpsey MLA
Mrs Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathal Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr William Humphrey MLA

In attendance: Mr Peter Hall (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.08am The meeting opened in closed session.

1. Consideration of Draft Report of Inquiry into Maximizing the Potential of the Creative Industries

Agreed: The Committee agreed to hold a meeting on Tuesday 29 January 2013 to further discuss the draft Executive Summary and Recommendations.

Agreed: The Committee agreed to provide comments on the draft recommendations to the Committee Office by lunchtime on Monday 28 January 2013.

10.21am The meeting moved into open session.

[EXTRACT]

Tuesday 29 January 2013

Room 29, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr William Irwin MLA (Deputy Chairperson)
Mr David Hilditch MLA
Mr William Humphrey MLA
Ms Rosaleen McCorley MLA
Mr Michael McGimpsey MLA
Mrs Karen McKeivitt MLA
Mr Cathal Ó hOisín MLA

Apologies: Mr Dominic Bradley MLA
Mr Oliver McMullan MLA
Mr Robin Swann MLA

In attendance: Mr Peter Hall (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.36am The meeting opened in closed session.

2. Consideration of Draft Report of Inquiry into Maximizing the Potential of the Creative Industries

The Committee discussed the draft recommendations for its report into its Inquiry on the Creative Industries.

Agreed: The Clerk agreed to revisit the recommendations and make the suggested amendments for consideration on Thursday 31 January 2013.

[EXTRACT]

Thursday 31 January 2013

Board Room, Culture Company Offices, Ebrington

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr William Irwin MLA (Deputy Chairperson)
Mr David Hilditch MLA
Mr William Humphrey MLA
Ms Rosaleen McCorley MLA
Mrs Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathal Ó hOisín MLA
Mr Robin Swann MLA

Apologies: Mr Dominic Bradley MLA
Mr Michael McGimpsey MLA

In attendance: Mr Peter Hall (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.46am The meeting opened in public session.

10. Consideration of Draft Report of Inquiry into Maximizing the Potential of the Creative Industries

The Committee discussed the draft recommendations.

Agreed: The Committee agreed that the Clerk would make the suggested amendments to the recommendations for further consideration.

Agreed: The Committee agreed to meet on Tuesday 5 February at 10.30am to discuss the Committee Inquiry report.

[EXTRACT]

Tuesday 5 February 2013

Room 29, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr William Irwin MLA (Deputy Chairperson)
Mr William Humphrey MLA
Ms Rosaleen McCorley MLA
Mr Cathal Ó hOisín MLA

Apologies: Mr Dominic Bradley MLA
Mr David Hilditch MLA
Mr Michael McGimpsey MLA
Mrs Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Robin Swann MLA

In attendance: Mr Peter Hall (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

11.12am The meeting opened in closed session.

2. Consideration of Draft Report of Inquiry into Maximizing the Potential of the Creative Industries

The Committee discussed the draft recommendations for its report into its Inquiry on the Creative Industries.

Recommendations 1 through to 5 were agreed.

Agreed: The Clerk agreed to revisit the remaining recommendations and make any suggested amendments for then Committee's consideration on Thursday 07 February 2013.

[EXTRACT]

Thursday 7 February 2013

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr William Irwin MLA (Deputy Chairperson)
Mr Dominic Bradley MLA
Mr David Hilditch MLA
Mr William Humphrey MLA
Ms Rosaleen McCorley MLA
Mr Michael McGimpsey MLA
Mrs Karen McKeivitt MLA
Mr Oliver McMullan MLA
Mr Cathal Ó hOisín MLA
Mr Robin Swann MLA

Apologies: None

In attendance: Mr Peter Hall (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officerz)

10.36am The meeting opened in closed session.

1. Committee Inquiry into Maximising the Potential of the Creative Industries

Agreed: The Committee agreed draft recommendations 6 through to 18.

Agreed: The Committee agreed to meet on Tuesday 12 February 2013 to consider the draft Executive Summary and draft Main Body.

10.50am The Committee moved into open session.

[EXTRACT]

Tuesday 12 February 2013

Room 29, Parliament Buildings

Draft

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mr David Hilditch MLA
Mr William Irwin MLA (Deputy Chairperson)
Mr William Humphrey MLA
Mr Michael McGimpsey MLA
Mrs Karen McKeivitt MLA
Mr Cathal Ó hOisín MLA

Apologies: Ms Rosaleen McCorley MLA
Mr Oliver McMullan MLA
Mr Robin Swann MLA

In attendance: Mr Peter Hall (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

11.10am The meeting opened in closed session.

2. Consideration of Draft Report of Inquiry into Maximizing the Potential of the Creative Industries

Agreed: The Committee agreed the draft Executive Summary, paragraphs 1 to 6.

Agreed: The Committee agreed the draft Executive Summary, paragraphs 7 to 8.

Agreed: The Committee agreed the draft Executive Summary, paragraph 9.

Agreed: The Committee agreed the draft Executive Summary, paragraphs 10 to 20.

Agreed: The Committee agreed the draft Introduction, paragraphs 1 to 13.

Agreed: The Committee agreed the draft Consideration of Evidence, paragraphs 14 to 140.

Agreed: The Committee agreed the draft Consideration of Evidence, paragraphs 141 to 274.

[EXTRACT]

Thursday 14 February 2013

Room 21, Parliament Buildings

Present: Miss Michelle McIlveen MLA (Chairperson)
Mr Dominic Bradley MLA
Mr David Hilditch MLA
Ms Rosaleen McCorley MLA
Mr Michael McGimpsey MLA
Mr Oliver McMullan MLA

Apologies: Mr William Irwin MLA (Deputy Chairperson)
Mr William Humphrey MLA
Mrs Karen McKeivitt MLA
Mr Cathal Ó hOisín MLA
Mr Robin Swann MLA

In attendance: Mr Peter Hall (Clerk)
Ms Ciara McKay (Assistant Clerk)
Mr Jonathan Lamont (Clerical Supervisor)
Mr Chris Baird (Clerical Officer)

10.44am The meeting opened.

5. Inquiry Report into Maximising the Potential of the Creative Industries

Agreed: The Committee agreed that Appendix 1 – Minutes of Proceedings stand part of the Report.

Agreed: The Committee agreed that Appendix 2 – Minutes of Evidence stand part of the Report.

Agreed: The Committee agreed that Appendix 3 – Written Submissions stand part of the Report.

Agreed: The Committee agreed that Appendix 4 – Research papers stand part of the Report.

Agreed: The Committee agreed that Appendix 5 – Other Papers submitted to the Committee stand part of the Report.

Agreed: The Committee agreed that the relevant extract from the minutes of today's meeting stand part of the Report.

Agreed: The Committee agreed that the Report be the First Report of the Committee for Culture, Arts and Leisure to the Assembly of the 2012/13 Session.

[EXTRACT]



Northern Ireland
Assembly

Appendix 2

Minutes of Evidence

Contents

1. 1 December 2011 DCAL briefing
2. 2 February 2012 DCAL briefing
3. 9 February 2012 Belfast City Council briefing
4. 9 February 2012 Craft NI briefing
5. 23 February 2012 Evidence Session with Stakeholders (Parliament Buildings)
6. 1 March 2012 NITA Briefing
7. 8 March 2012 NI Screen briefing
8. 15 March 2012 Evidence Session with Stakeholders (Strule Arts Centre)
9. 22 March 2012 Digital Circle / Momentum briefing
10. 22 March 2012 QUB briefing
11. 29 March 2012 Stendhal Festival of Art briefing
12. 29 March 2012 Ulster Orchestra Society briefing
13. 19 April 2012 Kabosh briefing
14. 19 April 2012 Oh Yeah Music Centre briefing
15. 26 April 2012 Creative and Cultural Skills and Creative Skillset briefing
16. 26 April 2012 University of Ulster briefing
17. 3 May 2012 Landscape Institute briefing
18. 3 May 2012 NESTA briefing
19. 17 May 2012 Arts Council of Northern Ireland briefing
20. 17 May 2012 CementWorks Film Facilities / John Edmund briefing
21. 24 May 2012 Belfast Metropolitan College briefing
22. 31 May 2012 AFTNI briefing
23. 7 June 2012 Arts and Business NI briefing
24. 21 June 2012 NILGA briefing
25. 28 June 2012 DE briefing
26. 28 June 2012 Digital Derry briefing
27. 5 July 2012 Invest NI briefing
28. 5 July 2012 DCAL/Arts Council/NI Screen briefing

1 December 2011

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
 Mrs Karen McKeivitt
 Mr Oliver McMullan
 Mr Cathal Ó hOisín
 Mr Pat Sheehan
 Mr Robin Swann

Witnesses:

Mr Arthur Scott	<i>Department of</i>
Ms Joanna McConway	<i>Culture, Arts and</i>
Mr Stephen McGowan	<i>Leisure</i>

1. **The Chairperson:** I welcome Arthur Scott, director of culture; Joanna McConway, head of the arts branch, who is no stranger to the Committee; and Stephen McGowan, head of creative industries. You are very welcome. Is this your first visit to the Committee?
2. **Mr Stephen McGowan (Department of Culture, Arts and Leisure):** Indeed it is.
3. **The Chairperson:** It is nice to have you here this morning. If you would like to give your presentation, we will follow up with a few questions.
4. **Mr Arthur Scott (Department of Culture, Arts and Leisure):** Thank you, Chairperson, for the opportunity to brief the Committee about the framework. As you know, the Department of Culture, Arts and Leisure (DCAL) takes the government lead on the creative industries. We work closely with other Departments, particularly the Department of Enterprise, Trade and Investment (DETI), and agencies such as Invest Northern Ireland to develop a more joined-up approach to how we support the creative industries.
5. Stephen provides the departmental lead on the creative industries and spearheads collaboration across DCAL and with the other Departments; he will provide further detail on the background to the framework. Joanna's responsibilities include the sponsorship and strategic management of organisations and activities key to supporting our creative industries, such as the Arts Council, Northern Ireland Screen, and several of our arts infrastructure projects.
6. The draft framework document has been informed by our engagement with stakeholders. It outlines the strategic approach to stimulate collaboration across industry, government and academia to grow and develop our creative industries. It is a draft document and approach that will be developed further in partnership with the Department of Enterprise, Trade and Investment and with other stakeholders. However, it is indicative of the tone and direction of our joint efforts to support the creative industries. It resonates with the themes and priorities of the Executive's draft economic strategy and Programme for Government, and it serves to provide the stimulus for further co-ordinated activity.
7. The Committee's inquiry into the creative industries will act as a crucial catalyst in focusing attention on this very important sector, and will stimulate debate and the sharing of ideas and opinions. The Department welcomes this inquiry and will engage with it fully through submitting written evidence addressing the inquiry's terms of reference. As part of that, we are pleased to share the draft document with the Committee today to inform its considerations of the opportunities and challenges facing our creative industries, and to receive early feedback and insight from your perspective. Officials will take further work forward, including consideration

- of the issues and proposals outlined in the draft document and the precise mechanics of delivery. Stephen will provide further details on the framework approach, and afterwards we will be happy to hear your views and take questions. Thank you.
8. **Mr McGowan:** Like Arthur, I thank the Chairperson and members for this opportunity to discuss the framework document. The creative industries sector is often referred to as having great potential for our region, and indeed it has. Recent high-profile events and successes have only added to the swelling tide of enthusiasm and interest in the sector and consideration of the opportunities and the potential of what could be possible in Northern Ireland.
 9. I feel that we are nearing a tipping point in political, business, government and public perception of the value and potential of the sector. Things can go either towards enabling the sector to make a seismic leap in being able to compete on the world stage and helping us to rebuild and rebalance our economy; or to the sector's remaining a very attractive bridesmaid but never the economic bride.
 10. The document is the first draft of the approach that we intend to develop and take forward with the Department of Enterprise, Trade and Investment, Invest NI and other stakeholders across business, government and academia. The draft has arisen from a re-invigoration of our creative industries government leadership role in recent times and proactive engagement and development of enhanced partnerships across government and with industry and academia. The document represents an approach that, we feel, will move that engagement and those partnerships to a much higher and beneficial level. At its core is a focus on stimulating new ideas and collaborations. From that will arise opportunities to develop creative talent, content, products, services and experiences that can compete in local, national and international markets and which, together, will grow Northern Ireland's reputation as a global hub for creativity and innovation. It is a framework approach that seeks to harness the strength of our region while recognising the realities of the environment and challenges that affect the creative industries.
 11. We are all seeking to support a diverse sector that includes activities from architecture to design, crafts to performing arts, designer fashion to computer games and mobile applications, music to film and television. This is a diverse but fragmented sector, with insufficient scale, insufficient collaboration between subsectors and insufficient engagement in international markets.
 12. It is also a sector that government wants to support and where interventions are cross-departmental but which often lacks cross-departmental collaboration and co-ordination. That needs to change, and we have been working for some time to change it. We could try to advance the agenda with an overarching strategy document; one that would, no doubt, be glossy, contain nice pictures and have its heart in the right place. However, as the Committee knows, too many strategy documents in the past, for many different sectors and on many different issues, have ended up as bookends on a shelf. The visions might have been right, but the mindset and means to deliver were not in place.
 13. A collaborative framework approach seeks to bring about a change in the mindset of industry, government and academia to support the creative industries. For collaboration stimulates and is supported by flows of information, knowledge and insight that identify new commercial opportunities to build scale, partnerships and new routes into new markets, and where government and academia are aligned to support those developments.
 14. The framework represents a strategic, real and meaningful partnership, and a joined-up approach between industry, government and academia; it establishes the mindset and means

- to enhance the development and delivery of current and future subsector strategies. DCAL is the government lead on the creative industries. The framework approach provides a mechanism for the Department and the Committee to demonstrate and inform that leadership role; it also reinforces the often forgotten or underestimated value of culture and arts. The diverse portfolio and bodies that the Department funds and supports and which the Committee oversees represent a region-wide creative and cultural infrastructure of organisations, programmes, knowledge, content and people that can be more fully harnessed to support the creative industries.
15. This creative and cultural infrastructure and landscape are strategic assets for a region; they represent a pre-innovation platform from which creative people, ideas and enterprises emerge. The collaborative framework is rooted in the goals and priorities of the Executive's draft economic strategy and Programme for Government. It is a commercially focused and economic development-based framework, but one where culture and the arts can be a catalyst for rebuilding and rebalancing the economy.
16. The document also highlights the wider catalytic potential of creativity and of the culture, arts and leisure sectors, whereby value can be derived from looking at problems from different perspectives and connecting things not previously connected: ideas, people, organisations and sectors. By promoting wider creativity and harnessing the innovation and entrepreneurial potential of the culture, arts and leisure sectors, we can stimulate new approaches and possible creative solutions that support other government priorities in health, education, social inclusion and the environment. We will seek to develop that wider creativity agenda in parallel with the collaborative framework, and together they will help to establish and sustain a pipeline from which creative people, ideas and businesses will emerge and flourish. We will be happy to
- hear your views on the first draft and to take questions.
17. **The Chairperson:** Thank you very much. Where are you with the timescale? I appreciate that this is the first draft and that you will be working with DETI and others. We have commenced our inquiry and will start to take evidence in the new year. I am mindful that we are taking a two-strand approach, but will the Committee have an opportunity to feed into your work?
18. **Mr McGowan:** This is the first draft, and the Committee got first sight of the document, which was the intention in line with the inquiry. I believe that the inquiry will be a mobilising and energising focal point for the sector. It is an opportunity for a diverse range of stakeholders to come together and to give evidence to the Committee to identify the key issues. I see the framework being shaped by the outcomes of the inquiry. The framework has been developed and has arisen from our close, ongoing work with Invest NI and DETI over the past two years and from our taking on board the economic strategy and the Programme for Government, which are out for consultation as well. As we move into the new year and the new financial year, I see the outcomes of the inquiry and the consultation on the Programme for Government and the economic strategy informing the final version of the framework approach.
19. **The Chairperson:** It is reassuring to know that we can inform your work. You are saying all the right words today, Stephen, which is great. However, we have all been on enough Committees and seen enough frameworks and strategies to understand that although glossy documents may say the right things, they may not really mean anything to the sector concerned because they are very high level. How will you ensure that the framework means something to, for example, a craftsperson on the Ards peninsula?
20. **Mr McGowan:** The structure of the framework is based on basic human

- nature about collaboration and the sharing of ideas. The creative sector in Northern Ireland will value and appreciate the opportunity to see new collaborations and market opportunities, and it will take the lead on the framework and will develop new ideas and commercial opportunities. As government, it is our role to enable, facilitate and promote that.
21. If 10 creatives from different sectors are put in a room, they will bounce ideas off one another and will see new opportunities. That is why the framework is not prescriptive. We want to bring such collaborations together, but none of us here can prescribe or predict the outcomes. However, there is a fundamental belief that collaborative opportunities will provide commercial opportunities.
22. Take, for example, a craftsman collaborating with a musician, or a musician collaborating with a digital content company or games developer; such cross-sectoral collaboration shows where the value of the sector is and where we can move from local to global.
23. **Mr Swann:** Thank you for your presentation. I concur with the Chairperson: your comments are very refreshing. I hope that you can live up to your word and that the document does not end up another bookend, as it is an important economic tool.
24. You mentioned the tipping point. Much of what we hear now, especially in the presentation and in the framework, is about the need to drive forward potential. However, we must also recognise the need to support existing creative industries, such as the crafts industry that the Chairperson mentioned.
25. One industry about which I am concerned greatly is architecture. How will the framework support architecture as a creative industry? Taking account of the decline of the construction industry, will we promote our architects worldwide and give them a platform from which to work? What support mechanism will there be for architecture as a creative industry?
26. **Mr McGowan:** With regard to architecture, yes, it is about promoting all subsectors of Northern Ireland's creative industries on the world stage. However, what came to mind immediately was Skillset, which is the sector skills council for digital content and computer games. Recently, it brought over a guest speaker who is from Northern Ireland, although I am afraid that his name escapes me. He is a world-renowned computer-game designer who developed the 'The Godfather' computer game, although he is actually an architect by training who designed buildings throughout Northern Ireland. There is a mixture, blend and blurring of architecture and digital content, and he brings architectural principles to computer-game design. Therefore there are opportunities for subsectors to promote and develop in other fields as well.
27. As regards core architecture, in the most recent round of the creative industries innovation fund there were opportunities for architects to work with designers and textile companies. For example, one company was involved in the incorporation of different materials, such as gold and other metals, into textiles. The Playhouse Theatre in the north-west is displaying some of that content. Therefore, at a broader level, it is possible for architects and subsectors to seek out new opportunities.
28. **Mr Scott:** The Department also has the ministerial advisory group on architecture and the built environment. The Minister is the design champion. The group challenges the architecture discipline with regard to carrying out design review, challenging design proposals from private developers and government, and producing position papers on various aspects. At present, we are looking at a paper on the cultural corridor for north Belfast. In some ways, the Department either supports or challenges architects to design buildings that will be of perfect use today and which will also be icons

- of the future, while taking account of social needs and the fact that a building is not just physical, but has purpose, be it a newbuild or a road scheme, and how that affects business and the community.
29. **Mr Swann:** That is more about guiding and working with architects who already have the job of designing and building cultural corridors rather than enabling architects who struggle to get new business to propel themselves onto the world market.
30. **Mr Scott:** It is. It is trying to raise the standard of design excellence. If the buildings produced appeal to others, that generates export of those skills. It is trying to raise the skills in the architectural sector with regard to design quality, both on an environmental front and in social use and practical purpose, while taking account of that in a wider context so that it challenges any developer to take a step back and look at whether a build is the best opportunity. Is it a newbuild? Could brownfield sites and other assets be harnessed and fitted into the wider private and public economy to make maximum impact?
31. **Mr Irwin:** Thank you for your presentation. In 2009, the number of people employed in the creative industries in Northern Ireland was 31,000, which represented 4·1%. The GB figure for 2010 represented 7·8%. Does the fact that Northern Ireland has a much smaller population than that of the UK make those figures seem even worse because we are so far down the line with only 4·1% employment in the creative industries? Should the Government do more to address that?
32. **Mr McGowan:** Yes. It highlights the point that we have insufficient scale in the sectors and insufficient engagement on potential markets. I tend to be a glass-half-full type of person in the sense that, in comparison to GB, those figures show that we can grow. However, we also have to factor in that London and the UK are world leaders in creative industries. You have that clustering effect around London in particular, but we also see that in Glasgow and in the BBC's moves to Salford. There are opportunities, particularly with, for example, regional networking in television, to grow the creative industries throughout the UK.
33. One of the key issues in my view is that local creative industries see the potential and have the ambition to compete in global markets. The economic strategy very clearly makes the case that, if we really want to rebuild and rebalance the economy, we have to focus on export-focused growth.
34. **Mr Scott:** The creative industries innovation fund provides funding to support those budding entrepreneurs to let them experiment and to try new ideas that, hopefully, can be scaled up and can go on to something bigger.
35. **Mr D Bradley:** The Chair asked the question that I was going to ask. Great minds think alike. Anyway, I congratulate Stephen on producing the framework. No doubt a great deal of creativity was involved in bringing it to this stage. I share the Chair's concern that, if I were to bring that document along to the craftsperson in his or her workshop and say, "This is the future for you", they might be a bit cynical about it. They might think that they have specific gifts, their products take a long time to produce, they are barely keeping their head above water and that, at the end of day, the framework will not make much difference to them. How would you reassure those people? What would you say to them about the possible beneficial outcomes for them?
36. **Mr McGowan:** The focus of the framework is on new ideas and new collaborations, and the craft sector in particular has a key role in cultural tourism and promoting souvenirs and products that are more effectively and tastefully representative of the history and heritage of our region. The tourism strategy for Northern Ireland has at its core a priority to help people to discover and share stories with visitors. Visitors to our shores should see a craft sector, souvenirs and artefacts beyond

- the plastic toy leprechaun. It is about promoting that sector, and we work very closely with Craft NI.
37. **Mr D Bradley:** A lot of those people tend to be isolated individuals, and they do not have the marketing connections and so on that they need to promote their product.
38. **Mr McGowan:** This framework tries to provide those channels and supports. That is key. Different activities across different Departments and agencies can provide that type of support, but we have to try to get all the ships in the fleet sailing in the same direction. If a craftsperson or business in any other subsector in any part of Northern Ireland has a creative idea with commercial potential, they should have access to and knowledge of the full range of support that is available to them, and that support should be tailored to their specific needs. So, it is a case of them accessing that, but their needs must be recognised by government and agencies, and that support must be tailored.
39. **Mr D Bradley:** We sometimes talk about hard-to-reach groups and individuals who are on the periphery. How can you draw them in so that they will feel part of this and feel that they will benefit from it?
40. **Ms Joanna McConway (Department of Culture, Arts and Leisure):** I want to say something about the Arts Council because I know exactly what you mean. The smaller arts organisations may not have thought about collaborations before and have not had the opportunity, perhaps because they have a small number of staff and a tight budget. Those opportunities may not be open to them, even if they did want them. It is important to say that the Arts Council does a lot of work with all the sectors, across all art forms, with individual artists, small and large arts organisations and umbrella bodies. We mentioned Craft NI, but there are a number of others, where the Arts Council is working at that level to provide advice and support and access information from organisations that it may not even fund, such as the smaller fledgling organisations or organisations that may have other funding streams. There is still a link there with the Arts Council.
41. One of the key things about the model that we are developing for the creative industries is injecting into the Arts Council a more commercial edge and that idea of thinking about those new ideas and how to bring organisations from doing something locally to doing it nationally or internationally. The link between the Arts Council, Northern Ireland Screen and Digital Circle, which are part of the model too, is key. That gives those smaller organisations someone that they can talk to, so that they are not looking at a government document but can actually have those conversations with an art-form officer who understands the sector but also has a link to government.
42. **Mr McGowan:** Joanna makes a very important point.
43. **Mr D Bradley:** I had in mind an individual craftsperson rather than an arts organisation, big or small.
44. **Ms McConway:** Individuals will obviously have links with their sectoral bodies. Even if they do not have links with us as central government or with the Arts Council directly, they will still have those links with their sectoral bodies, because creative people do talk to each other and collaborate. It is a natural approach for them to do that. We want to harness those links so that it is not so much about government telling them what to do, it is about us getting the information back and supporting them to do the things that they want to develop but for which they may not have had the funding or the support in the past.
45. **Mr Scott:** It is about helping individual artists and craftspeople to recognise the entrepreneurial potential of what they are producing. Perhaps a link to some sort of cultural tourist attraction provides a new market and a new outlet. I was recently speaking to the Carnogher Community Association. It is selling all of its cultural products online,

- and that gives it virtual access to the market, as opposed to having to set up a huge resource-intensive operation. That is a good example of the sort of connections that are made.
46. The Department has used the creative industries innovation fund for cultural tourism in relation to downloadable apps, one for Ulster Scots and one for Gaelic culture. Tourists who come here can download those to see what is on and what to see. We are pairing the cultural asset — for example, Ulster Scots and its history, which is coming from the Ulster Historical Foundation — with people in the industry on the digital side to put that together to make it an attractive package for cultural tourists. They can download the app and see a route that they can follow to see important sites. Likewise, with the Gaelic app, they can see what is on, where to go and where there is a ceilidh or something else. It is helping to realise that cultural asset through marketing to a wider range of people.
47. **Mr McGowan:** This is certainly not a document that we wave in the air “peace in our time” style: job done. It is about a change of culture and mindset to one of collaboration. The structures outlined in that approach enable people in the craft sector, for example, say what type of support they need. That feeds in to the government agencies. At the moment, are we just sticking our finger in the air and saying, “What do we think they need?” This provides an opportunity for the industries, in all of the different subsectors, to tell us what they need.
48. **Mr Ó hOisín:** A number of us were in Derry last week for our meeting, and we got a fairly extensive and exhaustive presentation from the chief executive of Derry City Council, the chief executive of Ilex and the chief executive of the Culture Company 2013. In the draft strategy, you express an intention to work with the Culture Company. Given that we are virtually 12 months away from the City of Culture year, what exactly are the modalities of that and what exactly is in place?
49. **Mr McGowan:** Last year, the Department launched a pilot initiative, Creativity Month, the theme of which was inspiring new ideas, new collaborations and a new economy. It was a pilot in this year, with City of Culture taking on the promotional need throughout 2012. That is going to provide a regional impact and regional reach for Creativity Month and a much more enhanced profile, activities and marketing support. It also provides a platform for 2013, because 2013, with the City of Culture, is going to be a very important year, not only for Derry/Londonderry but for the entire region. Culture will be highlighted as having a catalytic impact on the economy, health, social inclusion and education. The Culture Company, by taking the lead in 2012 and promoting Creativity Month and promoting throughout the year, will provide a platform for further action.
50. **Mr Scott:** I will ask Joanna to explain the Department’s wider contribution to the City of Culture.
51. **Ms McConway:** In parallel with the work that Stephen is doing specifically with the creative industries and the creativity agenda, I am working closely with Shona McCarthy on developing a bid for DCAL to support the City of Culture in a wider sense. I understand that we are getting very close to 2013. However, you will understand that the Culture Company was just set up this year. It has been working very hard to develop a programme, and it has brought us some specific proposals in the past month or so. We are getting to the stage where we can put together a business case. We are not able to fund the year for the City of Culture by just having a funding pot that does not have clear parameters around it. Therefore, we need a business case that sets out what we are going to fund and how the outcomes of those elements will align with DCAL’s high-level priorities. We do not expect that there will be a problem with what the Culture Company 2013 is doing in aligning with our objectives, as the original bid is very much in line with what we are doing. However, we need to look carefully at what we will fund and

- set that out in a business case that the Minister can stand over. That is what we are doing at the minute in parallel with Stephen's works on creativity.
52. **Mr Ó hOisín:** What is the timescale?
53. **Ms McConway:** I would like to have a draft business case ready for approval early in the new year. This year, we made a small bid for funding in the region of £40,000 for early setup costs, but that is for the January to March period. We would like to have an approved business case by the beginning of the 2012-13 financial year so that we will know exactly where we are with the funding that we will be able to offer.
54. **Mr Ó hOisín:** How much money are we talking about?
55. **Ms McConway:** That is still to be decided. It will probably be a substantial sum. The overall budget for the City of Culture from 2012 to 2014 is almost £20 million. Subject to an approved business case, I would expect that DCAL would be a substantial contributor to that.
56. **The Chairperson:** Just on that point, Joanna, what will suffer as a result of having to make that contribution?
57. **Ms McConway:** We hope nothing, because we hope to make an additional bid to DFP for DCAL's own priorities. The Minister has not yet indicated that she would sacrifice anything else from the Department's budget to meet those costs.
58. **The Chairperson:** Obviously, it is a commitment in the Programme for Government. We will leave it until a later date.
59. **Ms McConway:** I am sure that we will be back with you in due course to discuss further the City of Culture, subject to us getting to the stage where we have a business case that the Minister is happy with.
60. **Mrs Hale:** Thank you for coming. Stephen, in your draft framework, you talk about how the framework has an acceptance of the unpredictability of things that happen. Do you foresee any major problems coming up?
61. **Mr McGowan:** With the framework approach?
62. **Mrs Hale:** Yes, in dealing with unexpected issues that might come up.
63. **Mr McGowan:** The reference to unpredictability in the framework is more focused on the unpredictability that will arise from new creative ideas in those collaborations. As I said earlier, if we get craftspeople, digital content people and film makers in the room, we cannot predict what creative ideas they will come up with.
64. **Mrs Hale:** You are talking about the initial planning stage.
65. **Mr McGowan:** Yes. The document recognises that that collaboration will give rise to new ideas and new commercial opportunities that we cannot predict at this time.
66. **Mrs Hale:** I would worry that it might stagnate because nothing of substance would come out.
67. **Mr McGowan:** I would have faith in the creative energy of the creative industry to come up with ideas. The crucial point is taking that to the next step. That is why there is an industry-led approach by the different subsectors, together with government collaboration that is driving forward the creative ideas that are coming from the industry to enable them and to change them from local to global ideas. As I mentioned earlier, it is about aligning government and academic support to enable those ideas to flourish; that is the key approach in the framework.
68. **Mr McGimpsey:** About 10 years ago, we launched 'Unlocking Creativity,' and it seems that we have made reasonable progress since then. In that document, we anticipated rough targets for the creative industries, and I see that we now have 31,000 jobs, which is roughly 4% of the workforce, and that we have a turnover of £737 million in this area. Those are your estimates, and they are

- probably accurate enough. You will bring all of this together, and partnership and collaboration will be key to much of that. What progress do you anticipate making in the next five to 10 years? Where will we be with the number of jobs and turnover? I understand that you will be able to give me only a guesstimate, but if we get what we are looking for and bring everyone together, how much progress can be made? You talked about a critical mass. How close are we to reaching that critical mass, which will allow us to take off in the way that Scotland has?
69. **Mr McGowan:** There are some subsectors in which there is a tangible sense that we have taken off or are just about to. Film and television is one example of that, and DCAL and Invest NI recently launched a new music industry strategy, which highlighted the potential for the cross-exploitation of music. If we get more Snow Patrols and more Van Morrisons, that will be fantastic, but a lot of musicians in Northern Ireland can make a good living and career from making music for films, computer games and mobile apps.
70. As part of the economic strategy, a creativity R&D and innovation action plan will be developed, and we will work with DETI to define the targets that we want to achieve in the sector. I cannot pick a figure out of the air at the moment; we are working with DETI and Invest NI, and we will set targets for the sector and the subsectors. The music industry strategy has highlighted the targets that we want to achieve over the next three to four years in that subsector. There are targets for employment and for the number of businesses that we want to generate.
71. **Mr McGimpsey:** We have a target of creating 25,000 jobs over the next four years. What sort of contribution can this area make to that?
72. **Mr McGowan:** You will recall that the Business Alliance, which included representatives from the Confederation of British Industry (CBI) and the Institute of Directors (IOD), created a joint paper on the jobs plan for Northern Ireland. In that, it highlighted that the creative industries could produce 11,000 jobs over the time frame of that plan. That report was created by business organisations and not by a government body. It is indicative of the business community's belief that the creative industries can make that seismic leap.
73. **Ms McConway:** It is important to draw the distinction between DCAL's and DETI's roles in the creative industries. A lot of what we do, particularly on my side of the house in arts, which sponsors the Arts Council and Northern Ireland Screen, is in making quite early interventions. The likes of the creative learning centres and Cinemagic, which most people will have heard of, get in there early with young people. They try to change the perception that going into the creative industries is a bit of a cop-out and not a serious career choice, and they suggest that it is something that those young people could do. Those young people may find that they know someone who is working on the set of 'Game of Thrones,' and they may feel that they would like to do that for a living. We are in the business of providing that catalyst through early interventions with young people, and we also make interventions with arts organisations to try new collaborations and with business to try new innovative ideas. DETI is at the other end, funding the big film activity, and it has a very clear ratio. Much of what we do is a little more risky, but we feel that it is a risk that is worth taking to get the big rewards in the creation of jobs.
74. **Mr McGimpsey:** It is the golden thread, and DCAL pulls the golden thread together. How well do you work with the Department for Employment and Learning (DEL), for example, because that is where you are looking for young people? We are not asking young people for A levels and degrees, which are often a barrier for youngsters, to go into particular occupations in this area.
75. **Ms McConway:** Absolutely. Our arm's-length bodies work very closely with DEL and the Department of Education (DE).

- We are trying to do longer-term things that are sometimes quite difficult to measure, but if you can get people at that stage and they are skills building, we know that that will have a longer-term effect.
76. **Mr Scott:** DCAL's role can best be described as nurturing. It ensures that young people are exposed to creativity and creativity concepts and that they are encouraged.
77. **Mr McGowan:** This comes back to a very broad point in terms of what we have as a Department and what you have as a Committee to oversee — this creative and cultural infrastructure. We have museums, libraries, the Arts Council and different organisations, such as Armagh Planetarium, and it is about how that infrastructure can be harnessed to promote the creative industries.
78. We have been working very closely with DEL, in particular, on the STEM strategy for Northern Ireland. One of the issues around STEM is that we want more young people to study science, technology, engineering and maths, but if a young person has a gift or inclination towards science, they are quite often encouraged to be a doctor or to go into a similar field. However, there are very lucrative and rewarding careers in animation and visual effects, for example, and such careers would not only be good for that individual, they would help grow our economy. The STEM strategy for Northern Ireland is heavily influenced by the DCAL infrastructure and the inspirational support that that can provide. In my view, no 11-year-old makes a conscience decision that they will study a STEM subject because it is in the long-term economic interests of Northern Ireland for them to do so. They are inspired by STEM because they go to the planetarium or W5, or they are involved in one of our creative learning centres, and they decide that it is a field that they want to learn more about and study. Again, that is the inspirational, catalytic impact of what we support as a Department and as a Committee.
79. **Mr McGimpsey:** That is the idea.
80. **The Chairperson:** Thank you for coming this morning and having this early conversation with us. I understand that you are looking for some feedback on the framework, but, as you will understand, we are only starting to gather information from the sector in relation to our inquiry. However, as we start to receive that information, we will respond to you more formally, rather than setting too close parameters on our own inquiry. Again, thank you very much for coming this morning and for taking questions.

2 February 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
 Mrs Karen McKeivitt
 Mr Oliver McMullan
 Mr Cathal Ó hOisín
 Mr Robin Swann

Witnesses:

Ms Joanna McConway	<i>Department of</i>
Mr Stephen McGowan	<i>Culture, Arts and Leisure</i>

81. **The Chairperson:** Mr Scott is unable to attend this morning's briefing, but we have Joanna McConway, the head of the arts branch and Stephen McGowan, the head of creative industries. Both officials have been with us before and are most welcome.
82. **Ms Joanna McConway (Department of Culture, Arts and Leisure):** Good morning.
83. **The Chairperson:** Good morning. The Assembly's communications team is taking some footage of this morning's session. We are the first Committee to have witnesses giving evidence to an inquiry in this mandate, and you are the lucky people who have that privilege this morning. I invite you to make your statement, and we will follow that with some questions from members.
84. **Mr Stephen McGowan (Department of Culture, Arts and Leisure):** On behalf of the Department, I thank you for the opportunity to contribute to the Committee's inquiry into maximising the potential of the creative industries. You will recall that we were before you in December. At that meeting, we discussed the Department's partnership approach and our ongoing work with other Departments and agencies, such

as the Department of Enterprise, Trade and Investment (DETI) and Invest NI, to develop a collaborative framework to stimulate and support the growth of our creative industries. At that time, we said that we believed:

"The Committee's inquiry will act as a crucial catalyst in focusing attention on this very important sector, and will stimulate debate and the sharing of ideas and opinions."

85. By doing so, the inquiry will support our work to establish a real, meaningful and beneficial partnership between government, industry and academia that will enable our creative industries to play a key role in helping to rebuild and rebalance our economy.
86. You are aware of our framework approach and the tone and direction of our efforts to support the creative industries. You have received further written evidence from the Department that addresses the terms of reference of the inquiry. In summary, the Executive's draft economic strategy identifies the importance of "stimulating innovation, R&D and creativity" and supporting export-focused growth. That highlights the economic potential and importance of the creative industries, as the sector is known globally for its contribution to job and wealth creation.
87. The importance of the sector and its role in driving wider innovation are increasingly recognised by leading economies throughout the world. However, local challenges remain. Those include a fragmented industry with insufficient scale, insufficient collaboration between sub-sectors and other business sectors and insufficient engagement in international markets. Furthermore, a range of government programmes and interventions is supportive of the sector, but they often lack effective co-ordination and a joined-up approach. The diversity within the sector means that no one Department,

- agency or representative body can, in isolation, fully realise the sector's potential.
88. The draft economic strategy reinforces the point that to rebuild and rebalance our economy, steps need to be taken to strengthen collaboration and the commercialisation of knowledge, new ideas and new ways of doing things. Countries across the world with advanced innovation systems achieve that success through a triple helix model that stresses the importance of interactions, networks and collaborations between industry, government and academia. At EU level, the concept of smart specialisation encourages regions to identify and develop their most promising areas of comparative advantage. That concept also recognises that creativity and innovation have a strong and distinctive regional dimension. Therefore, a place-based development approach should inform local policies by building on local assets.
89. What are the comparative advantages and local assets of our region? The answer to that highlights the crucial role of the Committee and its inquiry in highlighting and promoting an engine for economic and social innovation. This region and island are renowned throughout the world for their arts and culture. That is a comparative advantage and the global calling card for our region. The Committee and the Department oversee and support a vast, creative cultural infrastructure across Northern Ireland. That includes national and local museums, libraries, sport, art venues, art festivals, languages and even a planetarium and observatory. Those are creative and cultural assets that can fuel the emergence of creative people and enterprises. They, in turn, can inspire the development of new creative content, products, services and experiences that will attract interest and investment to our shores and help local companies to compete and succeed on the world stage.
90. Other Departments and agencies have a major, and perhaps the dominant, role to play in the provision of public funding and investment in local companies and the creative industries at large. However, creative businesses and creative entrepreneurs do not necessarily combust into being. A catalyst for maximising the potential of our creative industries can be the harnessing of the innovative and entrepreneurial potential of our culture, arts and leisure base. That will be achieved only by bringing about a meaningful commitment to, and demonstration of, collaboration within and between government, industry and academia. That is the other key role that we can all play.
91. The support and advocacy of the Committee and the wider Assembly will be pivotal in harnessing the creative strengths of our regions and in putting in place the right enablers to establish and sustain a creative pipeline from which creative people, ideas and enterprises can emerge. Thank you again for the opportunity to provide evidence today. We are happy to elaborate or answer any questions.
92. **The Chairperson:** Thank you very much. Joanna, do you have anything to say at this stage?
93. **Ms McConway:** No, I am fine. If you want to ask us some questions about the areas that particularly interest you, we can talk about those.
94. **The Chairperson:** OK. Thank you. First, thank you for massaging the Committee's ego. Your comments are most welcome. I think that we are all greatly engaged in the issue and recognise the opportunities that exist in the creative industries. The inquiry will be an important aspect of the Committee's work for the next number of months.
95. Your framework document identified issues in the sector, such as its fragmented nature and the diversity of the sector, the Departments and their roles. How do you see the Department of Culture, Arts and Leisure (DCAL) being pivotal in this?

96. **Mr McGowan:** Mr McGimpsey is not here today, but he said, during our last meeting, that DCAL was the “golden thread” that would pull the different Departments together. It comes back to the core point that DCAL is the government lead on the creative industries. Other Departments and bodies, such as DETI and Invest NI, have a vast amount of public funding support to give to the sector, and the Department of Education (DE), the Department for Employment and Learning (DEL) and other Departments also have an important role in supporting the creative industries.
97. Our core point is that we feel that we can harness the creative and cultural infrastructure that we support. I think that I gave an example at our previous meeting. We want local businesses to work with museums, libraries and art festivals to develop new products and services. The thinking behind that is that there are museums and libraries and planetariums all across the world, and by developing a product, service or creative experience here, you prototype that product here. You can then go to museums and libraries throughout the world and tell them that we have tested this in Northern Ireland and it works. I referred earlier to the Department’s support for export-focused growth. That is about getting all the ships in the fleet sailing in the same direction and harnessing the innovation potential of the culture, arts and leisure base.
98. **The Chairperson:** How do you view the role of local councils? At times, they are the first point of contact for local groups or individuals who want to start a business and are, perhaps, asking for support in trying to become entrepreneurs.
99. **Mr McGowan:** The role of local government is critical to the process, because, as you said, they are often the first point of contact. When local councils are developing strategies and approaches to develop the creative industries in their areas, they need to ensure that those resonate with what wider government is doing. Those programmes should not only support what Northern Ireland is doing at large but show how local councils can draw on the expertise, funding and resources available from across the region to support that area. That comes back to the core point about organisations, people and companies not working in isolation.
100. **Mr Swann:** Thank you very much for your presentation. My question follows on from the Chair’s question and what you said earlier, Stephen. Some 31,000 people are employed in the creative industries. In 2008, the local sector’s GVA was £727 million. In looking towards an export-focused activity, is Invest NI involved enough? Does it realise the value of the creative industries? Is it giving the sector due recognition?
101. **Mr McGowan:** It is. Over the past couple of years, we have been working very closely with Invest NI and DETI. One issue, as you will recall, is that the Institute of Directors (IOD) and the Chief Executives’ Forum published a report in 2009 on the creative industries in Northern Ireland. The report stated that a key barrier was the lack of awareness in policy and even in business sectors of the potential and value of the creative industries. Within the past two years, for example, Invest NI and DCAL published a new music industry strategy in November. We work very closely with Invest NI. Joanna works very closely on a day-to-day basis with Invest NI because of our sponsorship role of Northern Ireland Screen and our work with Digital Circle and Craft NI. We have a collaborative approach. The framework approach, which is in draft form at the moment, is a joint document with Invest NI, so I think that we have made significant progress from where we were maybe two years ago. As we approach the outcomes of the Committee inquiry and public consultations on the draft economic strategy and draft Programme for Government, this is a key period in which to focus the attention of all Departments on the area.

102. **Mr Swann:** The creative industries innovation fund (CIIF) is working to a reduced budget. Going forward, could DCAL do more, especially in the economic strategy?
103. **Mr McGowan:** It is a reduced budget, but it is important to remember that the first creative industries innovation fund, which ran from 2008 to 2011, was allocated £5 million from Northern Ireland's innovation fund. That was a £90 million package that, if I recall correctly, came out of the St Andrews Agreement; I think that it was called the Chancellor's Fund for Innovation. That was a distinct package of funding from which we got a small section for the inaugural fund, but that is no longer in existence. The Department has prioritised £4 million in its core funding over the next financial period.
104. **Mr Swann:** What about marrying that with the money that Invest NI gave back? Is there any way in which you can encourage it to target more at the creative industries through the CIIF?
105. **Ms McConway:** The funding that Invest NI gave back related to this financial year. Therefore, our scope for spending that would be limited without further end-year flexibility, which is a difficult accounting treatment. However, we always look for opportunities to boost the amount of creative industries funding that we can spend and get out to the sector. We are not saying that chances will not come over the next three-year period of the Programme for Government, and we will maximise what we can do.
106. **Mr Swann:** Do you have the sort of relationship with Invest NI that would allow you to put a wee bit of pressure on it to divert more funding to you?
107. **Mr McGowan:** The creative industries innovation fund is but one tool in the arsenal, so to speak. Through the framework approach, for example, we want to ensure that other Departments are fully clued in as to why they should support the sector. We want to ensure that they have the opportunity not only to invest in specific programmes but to look at their own initiatives and how those can be focused on the sector. We work very closely with DETI and Invest NI. The framework approach that we want to move forward will enable other Departments to be part of that close collaboration.
108. **The Chairperson:** The innovation fund prioritises digital content. What is being done for the other aspects of the creative industries, including craft, and so on?
109. **Mr McGowan:** Digital content is recognised and prioritised in the current fund. That recognises that a great amount — 70%, I think — of the growth potential and value of the creative industries lies within that space. When we look at prioritising which areas to focus on, it is right that we look at the areas that give the best economic return. That said, particularly from DCAL's perspective, the creative industries are very diverse. The value lies in collaborations and musicians working with craftspeople and animators. It is about providing the content. You could have the best app designers and the best technical expertise, but it is the content of, and stories behind, the digital products that will sell to local and international markets.
110. Although we encourage the likes of the craft sector and performing arts to look at digital content projects, the prioritisation of digital content does not exclude those sectors. We encourage them to look at digital content and collaborate with other digital projects.
111. **Mr McMullan:** I was interested in what you said about local government being the first port of call. The framework does not have a terrible lot on the rural dimension; the rural economy is mentioned on only one page. There are problems with the rural versus urban context. Given that we talk about small and medium-sized enterprises getting their fair share of collaboration, how do we try to get round those problems? It

- will be harder for them to meet up with bigger sectors in the towns or cities.
112. **Mr McGowan:** The culture and arts base that we support can bring benefits to a collaborative approach across the region. There are libraries and museums, local and national, and other artistic venues right across the region. In local areas, including rural areas, those can be a catalyst and act as a gravitational pull around which activity focusing on creativity and innovation can take place. Again, it is about local councils and other organisations recognising that they have those assets and that a library or museum is not there just to sit in isolation. Councils can drive and inspire. They can network with local enterprises and local arts organisations. It goes back to my reference to all the ships in the fleet sailing in the same direction.
113. In answer to your specific question about the rural and urban dimension, the creative industries innovation fund will and should support projects of the highest quality. In my view, it is not about dispersing the fund on a geographical basis but about supporting quality projects regardless of geography. That said, through the fund, we want to encourage more applications and more collaborations across the region, but a simple divvying out would not provide the long-term stimulus that we need.
114. **Mr McMullan:** That is very interesting. Sometimes, however, because of how rural areas are dispersed geographically, it costs more to vie with products that come from an urban area. That is the bit that worries me. Invest NI does a wonderful job, but is it the vehicle to drive this? Given its ethos, should someone else not be involved in driving the small and medium-sized enterprises hoping to vie for the internal market, as opposed to the export market on which Invest NI has a good track record? That is one thing that holds back small and medium-sized enterprises, which are the backbone of the business sector here.
115. **Ms McConway:** I understand what you are saying. You are talking about smaller organisations that tend to be geographically more diverse. It is important to make the point that pretty much all of DCAL's budget funds the creative industries. The Arts Council's £10 million-plus Annual Support for Organisations Programme (ASOP) funds the creative industries, including many of those smaller organisations across the country. That funding supports them in carrying out their core business. The creative industries innovation fund offers a bit of funding to enable them to start thinking about additional things.
116. The point about rural spread — particularly in Northern Ireland, where we tend to be Belfast-centric — is a good one. However, the creative industries innovation fund and the focus on digital content seek to take away some of that geographical disadvantage, because we are talking about digital networks. We have the advantage of super-fast broadband, and so on, here. It does not matter whether you are in Limavady, where I am from, or Belfast: you can still connect with America or Europe. That is where the creative industries innovation fund is giving those smaller organisations the opportunity to do some additional things that their core support, which they might receive from the Department, would not normally allow them to do.
117. **Mr McGowan:** I referred to a creative pipeline, and Joanna makes a correct and very important point. Creative entrepreneurs do not necessarily just come into being. Broader DCAL support, encouraging creativity, and supporting artists and creative endeavour, move along that pipeline. Should something become a commercially viable opportunity, other programmes, initiatives and Departments can then come in and support it.
118. **Mr McMullan:** Have you thought about building in a more protective measure for the creative industries? I think that I am right in saying that 60% of those working in the creative industries are self-employed. That is a very shaky market to be in, especially for younger people breaking into that market. For

- example, if a very good entrepreneur comes up with a very good idea, it could be easily taken off them by the global markets, which means that the entrepreneur would lose out. We have to think about building in some kind of legal framework. If we are to encourage entrepreneurship, we should encourage people to be able to hold on to their idea so that they can develop it. Perhaps entrepreneurs could go into partnership with a bigger corporation, but, at present, an idea can be stripped off them completely because they have no protection, and 60% or 70% of people in the creative industries are self-employed.
119. **Mr McGowan:** The Westminster Government have been looking at issues to do with intellectual property. From a basic entrepreneurial and commercial perspective, that sense of potential security, or strengthening the resolve of those companies, can come through collaboration and encouraging creative entrepreneurs to consider how else they can collaborate. Musicians, for example, who earn their trade by playing music could consider working with an animator or games designer to get their music on to different products.
120. **Mr McMullan:** It is about partnership.
121. **Mr McGowan:** Exactly. Eventually, looking at collaborations with other creative entrepreneurs in different sectors will strengthen not only the growth potential but the security of that company. That is their value. Look at the guiding philosophy of Apple, for example. That globally successful company has changed the way we live. It is focused on the intersection between the arts and humanities and technology. The growth of the global economy is heading towards that blending of musicians, different providers of content and technology, and collaborative initiatives will fuel that.
122. **Ms McConway:** The best protection that you can give self-employed people in the creative industries is having a strong creative sector. I want to refer back to Northern Ireland Screen's work in the film industry. A local joiner, for example, who may not be getting much work, particularly in the rural economy in Northern Ireland, now has the opportunity to work on film sets, as opposed to shopfitting. The more we build that economy, the more protection there will be. We want to build that collaboration and strength so that Northern Ireland is seen as a place with lots of opportunities for people to be self-employed. We want to show how much is out there.
123. **Mr McGowan:** That is an excellent example. I am sure that the Committee has visited the Paint Hall. The props department is in the back rooms. Those props are all designed and crafted by craft artists; they are not something that you can buy in B&Q. As Joanna says, it is about people working in the craft sectors, make-up, joinery and the non-creative industries recognising that collaboration with the creative industries offers opportunities for growth.
124. **Mr Irwin:** Thank you for your presentation. A couple of my questions have already been answered. Creative industries have great potential. It has been noted that councils can play a very important part. Is there any contact between you and councils on local issues when you feel that it is relevant? There are 26 councils in Northern Ireland, but their number could change in a couple of years. Are councils fully aware of the potential? Councils can play an important part because they are local in nature. As you said, there are museums and libraries, for instance, in each area. Do they liaise with you?
125. **Mr McGowan:** Yes, and increasingly so, but we can do much more. In the framework approach that we hope to take forward, councils, information flow and collaborative networks will only get stronger. Councils have a natural tendency to be interested in their locality, but they and Northern Ireland will grow stronger through wider networks and collaboration.
126. I recall a comment that Mr Bradley made at our meeting in December,

- and this provides an example of why I could not go into politics — I thought of the answer after I left. He asked what craftspeople would think of the framework document. To be perfectly honest, they might not think a lot. They might ask: “Is your big idea that we all work together?” That, however, is the big idea. The framework approach is not the solution, but it aims to bring about a mindset and culture change across organisations that can support those individuals.
127. So in the medium to long term, the framework approach will bring about that change in mindset that we are all working towards together in government, industry and academia. That will provide support and, in time, will bring benefits for Joe or Joanna Bloggs who is working alone in the arts across Northern Ireland.
128. **Mr Hilditch:** My questions are along the same lines. From the Committee’s submissions, which number 80-odd, to the 26 councils, only four councils have responded, three of which are in the greater Belfast area.
129. I want to go back to your comment about getting all the ships to sail — you will probably be sorry that you said that by the time this is over. Local government is a linchpin and has an important role in the delivery mechanism. Why has there been such a poor response? Why are your views not shared by others in local government at present? I base those questions on the responses that we have received.
130. **Mr McGowan:** It is interesting that there have been only four responses from local government. That is very disappointing, but if you look back at the IOD report from 2009 that I mentioned, there was then and continues to be a lack of awareness about how great the potential could be. The creative industries have been looked upon as a fringe part of the economy. However, the sector on its own can grow and help to rebalance the economy. If local councils look at the draft economic strategy for Northern Ireland and at EU policy, they will clearly see that the issue is the role of the creative industries impacting on other sectors, such as tourism. All councils in Northern Ireland are very focused on tourism. The cultural aspect and the telling of the stories that will drive tourism will come from creativity and the creative industries. We have a lot of work to do with the councils so that the 22 that have not responded, for whatever reason, recognise the potential of the sector.
131. **Mr Hilditch:** Oliver commented on the issues of delivery for small and medium-sized enterprises and Invest NI’s focus on exporting. You will also be aware of a further sub-level of local government. In my constituency of East Antrim, local economic development is delivered locally by subgroups, such as Larne Enterprise Development Company (LEDCOM) in Larne and Carrickfergus Enterprise. Are you aware of that element?
132. **Ms McConway:** The creative industries are not new in the sense of creative people working. Importantly, however, the concept of government regarding them as a real economic driver is fairly new. There are agencies working in quite specific areas in the same way that councils deliver specific services in specific areas. It is a good challenge to level at us that we should be doing more to invigorate those councils so that they become involved. However, I suspect that the councils also need an overall government approach. We can use that kind of umbrella approach to create a framework for the whole region — one council trying to create a framework for Craigavon will not really help the region economically. The framework approach on which Stephen is providing more information will be the catalyst for allowing councils to work out what they need to do in their local areas and to becoming more involved directly in harnessing that potential. The same applies to the enterprise agencies.
133. **Mr McGowan:** If the Committee’s ego was massaged by my earlier comments, I am, in a way, pleased about that, but I am making a very important point. What can DCAL and the Committee do?

- We have a government/leadership role. We have neither the massive funding for businesses that the Department of Enterprise, Trade and Investment and Invest NI have, nor the massive funding that goes into the education system. Our leadership role is about pushing the agenda across government and getting other Departments to focus their funding streams, programmes and initiatives on the sector and on how they can benefit. That is also an important point: we are not telling other Departments how they can help the creative industries. It is a matter of how the creative industries and the cultural infrastructure, supported by DCAL and overseen by the Committee, can support other government authorities as well. If there is a lack of awareness in business and in policy, the Committee and the Department have a key role to play in raising that agenda.
134. **The Chairperson:** The point about the role of councils and enterprise agencies is well made. For the record, the four councils that responded were Fermanagh District Council, Carrickfergus Borough Council, Ards Borough Council and Belfast City Council, and we thank them for that.
135. **Mr D Bradley:** Stephen, you said that, after our previous meeting, you thought of the right answer after you left the room. I hope that I am not in the position of thinking of the right question after leaving the room. You use the metaphor of the Large Hadron Collider trying to recreate the Big Bang that created the universe — of course, some members would disagree with that — and your collider is the triple helix model. I noticed that, during the week, the Minister of Finance and Personnel said that we must create better synergies between Departments because so many issues are cross-cutting. At the moment, your triple helix model is theoretical. Are you confident that you can move it on to the stage at which it will begin to deliver for the creative industries?
136. **Mr McGowan:** Yes, I am confident. The triple helix model is a concept embedded in the new economic strategy. It recognises the importance of the three key players — government, academia and industry — working together. My colleagues know that, a lot of the time, I am prone to giving cheesy examples. However, I like the example of the Large Hadron Collider, because the benefit of firing protons at nearly at the speed of light in opposite directions so that they crash is to see the outcome. Our view is that new ideas and new ways of doing things will come out of stimulating creative collisions between creative people and creative organisations. Through those creative collisions, the benefit for the sector will be developed.
137. It is my personal view that the Northern Ireland economy will not be saved by civil servants from either Invest NI's side of Bedford Street or DCAL's side of Bedford Street. The economy will be saved or supported and rebuilt or rebalanced through the creative energy of entrepreneurs and businesses. As a government, we can harness programmes, funding, focus and infrastructure to enable them to do that. Through the framework, we can bring those people together, and they can tell us what works, what does not work and what we need to do more on. That will make a tangible difference.
138. **Mr D Bradley:** Quite often, Departments here are accused of having a silo attitude and working in that silo to the exclusion of everything outside it. Your framework document mentions four Departments: DCAL, DETI, the Department of Education (DE) and the Department for Employment and Learning (DEL). What gives you the confidence to believe that your model can break down that silo attitude?
139. **Mr McGowan:** At many cross-departmental meetings over the past two years, particularly at the start of my involvement in this process, I saw people around the table staring at me as if to ask why DCAL was attending a meeting at which the economy, neighbourhood regeneration or health was being discussed. The question

- seemed to be: “What has culture got to do with this”? Through a process of highlighting our contribution, we showed how, through working with museums, arts and libraries, we could help other government priorities. By demonstrating that, other Departments have become aware of the potential and value of the arts and cultural infrastructure. The silo mentality, which exists across government and many organisations, needs to be broken down. The way to do that is by highlighting what is possible and by demonstrating how we can help other organisations to meet their objectives. It is a long slog, but I am confident that other Departments have become increasingly aware of the value of the role that culture, arts and leisure — the infrastructure that we support — can play.
140. **Mr D Bradley:** What progress have you made to date?
141. **Mr McGowan:** Look at the work that we have done, for example, on the music industry strategy with Invest NI. South by Southwest is a trade mission in Austin in Texas. It is the world’s premier conference for digital film and music. Last year, Invest NI and the Department, working with local councils and organisations such as the British Council, pooled resources to enable the largest trade mission from Northern Ireland to go to that event. Those organisations could have worked in isolation, but only by pooling the resources and the focus were we able to achieve so much last year. That is only one example.
142. **The Chairperson:** Did DCAL lead that?
143. **Mr McGowan:** DCAL and Invest NI led it.
144. **Mr D Bradley:** Where are you with the implementation of the framework?
145. **Mr McGowan:** At the meeting in December, we were clear that we wanted the Committee and its inquiry to feed into that process. You have received and will receive evidence directly from a diverse range of organisations. We want that to inform the framework approach. DETI is keen to advance that with us. Following the outcome of the inquiry, ongoing evidence and public consultation on the economic strategy, I intend the framework to be in place by the new financial year.
146. **Mr D Bradley:** Has the ministerial advisory group been set up?
147. **Mr McGowan:** It has not been set up yet. Across the Civil Service, many colleagues will be honest and say that a cross-departmental steering group is often the kiss of death to many projects, because a project becomes bogged down with paperwork and shuffling, and nobody knows what is happening. This is about ideas and flows of information. We do not propose a ministerial advisory group through which Ministers or the Committee meet twice a year — job done. This is about providing the opportunity for leading lights in the sector to give honest opinions about what needs to be done in Northern Ireland. I see that as an important feature of the framework, along with the sub-sector groups. We hope to get them established in the new financial year.
148. **Mr D Bradley:** Thank you very much, Stephen and Joanna. If your enthusiasm is anything to go by, we should be able to make progress. We await further briefings.
149. **Ms McConway:** When talking about working in silos and the institutionalised attitudes of civil servants, of whom I am one, it would be remiss of me not to say that Stephen is a secondee from Queen’s, so we have an immediate link with academia that is part of that triple helix approach. Stephen is not a civil servant — we have not managed to convert him yet, although not through lack of trying. So he brings a fresh approach to the collaborative groups. Sometimes, putting four civil servants into a room without some fresh thinking can be very drab. Stephen’s ability to network in wider circles and bring fresh thinking has been an important element of the work being done in creative industries in DCAL.

150. **The Chairperson:** Thank you for that clarification. Obviously, he is somebody whom you want to hold on to.
151. **Ms McConway:** Absolutely.
152. **The Chairperson:** We are massaging your ego now, Stephen. That is mutual today.
153. **Mr D Bradley:** We will check from time to time that “Civil Serviceitis” is not setting in.
154. **Ms McConway:** With him, that would be tough, believe me.
155. **Mr Ó hOisín:** Much of what I was going to say has already been said. I want to follow up on Mr Hilditch’s point. The creative industries are an organic force. I was disappointed when I looked at the list of submissions and realised who was not included but should have been. However, I am very pleased, Joanna, to see that the Stendhal Festival of Art, which comes from your and my part of the world, is included.
156. **Ms McConway:** Absolutely, yes.
157. **Mr Ó hOisín:** For anyone who does not know about that festival, it came from an idea that a couple of young lads had a few years ago. Their idea has now come to fruition, and I believe that it will go from strength to strength.
158. However, I am disappointed, because much of the arts and crafts industry, and research and development, should be led at local government level. There are a number of good examples of that. Last week, I was at an economic conference in the Roe Valley Arts and Cultural Centre, at which the three areas of growth in this part of the world were identified as agrifoods, tourism and R&D. R&D and tourism cross into the creative industries.
159. Stephen, you used the collider analogy. With that collider, they are trying to recreate creation and the Big Bang. However, for that to occur, there must be a catalyst, and the tying together of that catalyst is what is important. That made me think that the one opportunity that we may have for such a catalyst in the foreseeable future is the City of Culture in Derry. That has huge potential to unify all the creative industries. Indeed, a number of the submissions to the inquiry were from industries located in Derry. Those include the Verbal Arts Centre and the Nerve Centre, which are at the forefront of the business.
160. My point is that there are missing links. I do not know how you can address that, but, given its record, I am not convinced about Invest NI. In my part of the world, we use various other acronyms for Invest NI that I will not repeat. I am not convinced about its input. That is just a comment; if I am proved wrong, I will be very pleased.
161. **Ms McConway:** It is important to say that there are two aspects to what we are trying to do. First, DCAL wants to showcase the huge creativity that we have in Northern Ireland. The City of Culture will be an absolutely fantastic showcase for that, and it will let people outside of Northern Ireland know that there is a great deal of creativity here. Secondly, we are involved in the individual decision-making. I know that all funders come in for criticism about the final individual decision-making element.
162. We are working well with Invest NI on creating the environment and atmosphere of a region with fantastic potential in which local craftspeople, who may not have the capacity in their own organisation, and other small businesses, can feel that they are part of a bigger, wider group of people who have something to say internationally. It is about creating that kind of confidence. We are doing that through events such as the City of Culture and by instilling international and global thinking into smaller businesses. It is at that strategy and policy level that Invest NI works well. It is a long-term initiative; you cannot make it happen overnight.
163. **Mrs McKevitt:** I want to explore whether gaps exist in current policies, the lack of entrepreneurial skills in the sector and the perception that some higher and further education institutions are imperative to the success of the creative

- industries. It is proposed that DEL be disposed of. Do you think that its disposal might dilute the collaborative group that would drive partnership?
164. **Mr McGowan:** The entrepreneurial challenges facing the sector are clear. One of the ways in which we have tried to help with those challenges is through the creative industries innovation fund. Successful applicants to that fund can ask for mentoring support from the Institute of Directors. That is the first time that we have done that. If a company needs help with marketing, tax or export advice, the Institute of Directors will match that applicant with a mentor. That is not just for the duration of the CIIF award; a long-term relationship can be agreed between the mentor and the CIIF applicant. The Institute of Directors involves many of Northern Ireland's leading business people, who are willing to support our creative sector.
165. I regard higher and further education, along the same lines as the creative and cultural sector, as having vast potential and strengths. We have world-class universities and FE colleges throughout the region. It is about their working and focusing their energy on the creative industries. Again, more can be done there. That is why the triple helix model is not just about having visual representation from the universities and FE colleges; it is about stimulating meaningful engagement and their focusing their resources on this sector.
166. **The Chairperson:** You said that you hope that the framework will be in place by the new financial year, but I am concerned about whether our inquiry, which you welcome as part of informing the framework, will be concluded within that time frame.
167. **Mr McGowan:** We will have further discussions with DETI and Invest NI, which are key partners in the framework approach. We hope to have the framework established sooner rather than later. Certainly, the Committee is fully aware of the tone and direction of where we want to go, and I think that
- the industry and the creative industries sector are becoming more aware. I hope that not many organisations' response to the Committee will be that collaboration is not the way forward. We are proposing the core principles that we want to take forward, and the results of the inquiry will inform how they are fine-tuned.
168. **The Chairperson:** As always, thank you very much for coming this morning. Your enthusiasm is more than welcome.

9 February 2012

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*

169. **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.
170. **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.
171. 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.
172. 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.
173. 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.
174. 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.
175. 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.
176. 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.
177. 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.
178. 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.
179. 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.
180. 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.
181. 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.
182. 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.
183. 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.

184. 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.
185. 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.

186. 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.
187. **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.
188. **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.
189. 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.
190. 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.
191. 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.
192. 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.
193. **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?
194. **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.
195. 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.
196. **The Chairperson:** Do you have examples of that in practice?
197. **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.
198. 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.
199. **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?
200. **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.
201. 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.
202. 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.
203. 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.
204. 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.
205. 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.
206. 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.
207. **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?
208. **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.
209. 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.
210. 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.
211. 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.
212. **The Chairperson:** You mentioned your strategy, which is in development. When will it be finalised?
213. **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.
214. **The Chairperson:** Have you been working with the Department on its framework?
215. **Mr McGoran:** Which Department?
216. **The Chairperson:** DCAL.
217. **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.
218. **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?
219. **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.
220. 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 of 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.
221. 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.
222. **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?
223. **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.
224. 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.
225. 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.
226. **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?
227. **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.

228. 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 —
229. **Mr D Bradley:** Where has that gone to?
230. **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.
231. 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.
232. 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.
233. 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.
234. **Mr D Bradley:** Did that work go to the Far East because there are better tax incentives there?
235. **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.
236. **Mr D Bradley:** So you are basically saying that the tax regime here is not helping the industry's development.
237. **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.
238. 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.
239. **Mr D Bradley:** Is there a danger that the people we skill up in those areas will go in that direction as well?
240. **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.
241. 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.
242. 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.
243. **Mr D Bradley:** Thanks, Brendan.
244. **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?
245. **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.
246. 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.
247. 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.
248. **The Chairperson:** Do you go outside of your collaboration with those particular councils and share your experiences?
249. **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.
250. **The Chairperson:** In a roundabout way.
251. **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.

252. **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.
253. **Mr McGoran:** Thank you very much; thank you for the opportunity to talk.

9 February 2012

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 Oliver McMullan
 Mr Pat Sheehan
 Mr Robin Swann

Witnesses:

Mr Joe Kelly *Craft NI*

254. **The Chairperson:** Good morning. I welcome Joe Kelly, the director of Craft NI. It is good to see you again. I ask you to make an opening statement, which will be followed by members' questions. Thank you for supplying us with a very detailed response to our inquiry.

255. **Mr Joe Kelly (Craft NI):** Not at all, thank you for the opportunity. I will summarise some of the key points from our submission and maybe draw some priorities from that by way of introduction. I also draw your attention to the packs. I sent some information up; some of the documentation that we have published over the years. I just remembered that we have used this Building as an example of craft, particularly construction craft, but also in its interiors. You will notice from the glass, wallpapers, furniture, mosaic and plasterwork that the fact that the Building was well served by craftspeople when it was built is one of the reasons why this is such a beautiful building. Perhaps, when you are looking around it, you will see it with new eyes. It is quite remarkable. It is outstanding.

256. I have also included a number of advocacy documents that we publish on craft and rural development, craft and tourism, and craft and film. I have included a number of business guides that we published for the sector, and I

have also included a couple of reports, one that we did ourselves and which was commissioned in 2006, and a UK national report in collaboration with Creative Scotland, the Arts Council of Wales and the Crafts Council in the UK, which has just been completed. It is literally being published as we speak, and I have included a draft copy of the Northern Ireland summary.

257. Craft Northern Ireland was founded in 2005, so we are quite young. We are a very small organisation, with three, sometimes four, full-time equivalent staff. We operate as a catalyst, developing productive partnerships, enhancing capacity and support and adding value with the encouragement and delivery of support across Northern Ireland for makers and craft businesses that are distributed throughout the region. Our current strategy is called Opportunity Craft, and it is focused on creating opportunities for craft makers and their businesses across Northern Ireland. The core objectives in that are advocacy and profiling of the sector; raising its visibility and the understanding of it; developing partnerships and infrastructure that support makers and businesses across Northern Ireland; and raising quality awareness, both with regard to creative practice and with regard to business practice.

258. There are approximately 1,000 makers and businesses in Northern Ireland, contributing around £20 million annually. The sector is very broad, ranging from traditional practitioners through to makers who produce product for retail or for commission through to others who produce studio work for gallery and exhibition and high-end sales. There is a broad range of practitioners and business types, and between 85% and 88% are sole trading. There are a vast range of specific markets within that. The average income for a maker is £21,500, and around two thirds of

- the businesses are owned and run by women. Around two thirds are located in rural areas, and around 68% export outside Northern Ireland, and 38% export outside the UK.
259. In terms of the craft sector's potential, on Northern Ireland's culture, society and economy of previous years, you will reflect back to linen and to ceramics in Belleek and other industries like that where decorative crafts as well as engineering crafts were a major contribution to industry and prosperity and to social development. I said that the businesses are of a broad range, so they do not all operate to the same markets. Some have an interest in tourism, and others focus on retailing their work. Others have a considerable export interest, and others will contribute to rural development. The programmes that Craft NI tries to engineer support that. August craft month, which is, perhaps, our biggest programme of the year, brings in 50 or 60 partners from around Northern Ireland that support makers and their businesses, being profiled, doing business and bringing in new audiences, hence consumers.
260. There is much portfolio working in the sector. There is a lot of collaboration with architecture, design, fashion, advertising, film and TV. We are pulling out a lot of the links with science, technology, engineering and maths (STEM) subjects, particularly in areas such as biomedicine and digital collaboration. There is a considerable body of research looking at the health benefits to the general population of craft practice, and the education benefits to school attendance with pupils. There is a very green agenda in the craft sector. Over 50% of makers and businesses source ethical materials when producing their work.
261. The priorities that I want to draw your attention to in the statement are as follows. In developing a policy or strategy for creative industries, the cultural industries are a key part. We are talking about creative and cultural industry. We are not just talking about the big hitters in software and film but recognition of the contribution and added value of micro-business sectors such as craft. We encourage the enshrining of that at the heart of any strategy. A general, one-size-fits-all approach would not maximise potential. Industry-specific expertise is absolutely essential and needs to be recognised, supported and made available. The breadth of practitioners, the products, the routes to market, the markets and the customers that exist just within the craft sector require that level of expertise and support.
262. We suggest that available funding needs better targeting, in consultation with appropriate expertise, so that it is not just government Departments and their agencies that are developing the criteria and priorities for the funds but it is done in consultation. In relation to the accessing of government funds, speaking from my own experience, there are significantly increasing difficulties in resourcing relationships with funding agencies. It is not getting better but worse, and it appears that there is little proportionality in the risks of accessing small amounts of money, for example. The preservation of arts and creative skills within education — primary, secondary and tertiary — is very important, strengthening emphasis on the skills, both creative skills and the understanding of business application, and providing cross-disciplinary opportunities to encourage innovation. Expanding the routes into creative industries is important, through non-formal routes as well as formal, through apprenticeships, through developing business skills support, management, leadership and training, and by providing support that enables business development in terms of scaling up businesses. I mentioned that the craft sector is a predominantly micro-business sector, but opportunities do exist for scaling up. However, that needs considerable support.
263. Finally, the last priority that I will draw out is the necessity to develop closer links with industry where appropriate,

- particularly in accessing resources, collaboration, equipment and production facilities.
264. **The Chairperson:** Thank you very much. In your written submission, you state:
- “As a sector support organisation Craft NI finds that the understanding of its remit and role is not shared across government departments and agencies.”*
- Will you explain that, and how it may be overcome?
265. **Mr Kelly:** We were established by the Arts Council on the back of a Department of Culture, Arts and Leisure (DCAL) policy document on creativity. I forget the name of it now, but it was an interdepartmental policy that goes back some years. The idea was to link our organisation not just with arts and cultural practice but with the development of business skills, and education and training were part of that remit. We have found some difficulty in that we are funded by the Arts Council but we also receive funding from Invest NI, and the voices that we are hearing on either side are not the same. It is possibly due to the silos that exist in the way that money comes down, but we find that we are facing a number of different fronts on the common understanding of a broad role for supporting cultural practice within that business environment. We have done that for a couple of years, but it could be easier for us and more effective if those conversations were understood and there was a commonality of agreement.
266. **The Chairperson:** There is an issue of definition in so many things. What is the definition of “craft”?
267. **Mr J Kelly:** We steer away from definitions but, essentially, it is working with materials in a creative way. Our definition is not to provide a long list of papercrafts or working with clocks. There are lots of practices within it. We define it as a creative process working with materials in a highly skilled way that has an individual signature of the maker, artist or creative practitioner attached. For contemporary craft, we are also
- looking at how that pushes and explores the boundaries of the materials but the skills as well. It is a broad process definition that can include people working with traditional crafts as well as those working right at the cutting edge of the contemporary end.
268. **The Chairperson:** I suppose as a former member of Ards Borough Council I am very proud of the fact that we have been very responsive in meeting the needs of the craftspeople in our area. However, you highlighted one of the key issues, namely that there are so many sole traders, quite a number of them women, and that there are bureaucracies for accessing funding. What difficulties have you experienced in your role?
269. **Mr J Kelly:** Capacity is something that you will come up against again and again. The creative industries are so dominated by micro-businesses that capacity is a constant issue for them. Many makers will spend two or three days a week making their work and the other two or three days trying to sell it. The research that needs to go into looking at markets or application forms, guidelines and criteria, and understanding that, can be very limiting in how you envision or plan for the development of your business, and where you find the time to think big or blue-sky think when you are on your own and nobody understands your business the way you do.
270. When the first round of the creative industries innovation fund (CIIF 1) came out, the first thing we did as a sectoral body was to access funding to provide somebody to liaise with makers and the fund so that they could, for example, interpret for makers the criteria and priorities, examining their business, helping them to look at development opportunities and helping them with the thinking process, where they might go and how the fund might be accessed to support them in developing the business in a particular way. That sort almost of thinking support, as well as the practical route into an application form, is really very helpful.

271. We work closely with the Tourist Board. There is a little document in there advocating craft and tourism. The Tourist Board has a comprehensive industry development programme. Craft is a small sector within that but we like to think of it as a jewel with an important part to play. Negotiating what the Tourist Board means by industry development, and transferring that into how that works for a craft micro-business, is difficult. So, one of our ambitions is to be able to resource some sort of liaison who would talk to makers interested in developing a tourist aspect to their work, understand their business, and get help looking at and accessing the funds.
272. That summarises the key issues when you face people who are simply not used to working with the necessary bureaucracy that comes with the administration of funds. Real help is needed to get the sector to respond. It works in a number of business areas. The same is true for exporting, and I could see it being true for aspects of developing business in a rural context. You need assistance with the R&D as well as the practical stuff.
273. **Mr D Bradley:** Morning. I just want to follow up on a point that the Chair raised. The word “craft” has a number of connotations connected with the past: homespun, folksy, cottage industry, and so on. Do you think that having that word in your title is somewhat misleading in so far as it has those connotations? When I heard that you were coming here today, I did not expect to see a reference to STEM subjects in your paper. Do you agree? If so, will you consider perhaps rebranding and using a more inclusive word?
274. **Mr J Kelly:** In some ways, you have hit the nail on the head. That word is understood in a whole range of contexts. Craft is not used just in the production of art and design objects but in engineering and skills. Somebody who plays a musical instrument, for example, has a craft, as does someone who writes. For us, it is a very broad term; you are quite right. Part of our mission, I guess, is to raise understanding of what we mean by “craft”. There has been a lot of talk about doing that through titles and descriptions. However, we sometimes run into the same problems, because people try to define it in some way or to at least close down the definition a little bit by calling it “craft and design”, which gives it a certain feel. Nevertheless, the word “design” is almost as broad and expansive as “craft”. I think that we have struggled with it enormously. The whole sector has struggled enormously with what it means. I take your point. We as a sector, nationally and internationally, feel that we are stuck with it, but we embrace, work and do our best with it. Sometimes it is referred to as “applied arts”. You get “craft and applied arts” or “craft and design”.
275. **Mr D Bradley:** OK. I was thinking of something along the lines of “Creative Northern Ireland”.
276. **Mr J Kelly:** For our organisation?
277. **The Chairperson:** And that could be even broader.
278. **Mr D Bradley:** In any case, the Chair also talked about the situation faced by a lot of craftspeople. Quite often, they work on their own. They have to order the materials they use and get them ready so that they can make the object or art or whatever you want to call it. They then have to market that and maybe gather material to put up on their website. They also have to meet the customer and try to make sales, and so on and so forth. Is there anything you can do to help to reduce that burden on them?
279. **Mr J Kelly:** The answer is yes, but it is probably limited. You cannot run somebody else’s business for them. Ultimately, they will want to run their business. There are, for example, developing networks of retail opportunities. There are a number of craft networks in Northern Ireland that focus, for example, on supporting craft retail. Some local authorities work very closely on that. We are trying, for example, to build partnership relationships with secondary

- stakeholders in the craft sector. By that I mean museum shops and art centres. We are encouraging them to sell craft and be much more proactive in reaching out to them, because both have arts-focused audiences and seem ideal. Indeed, we have worked with some staff here to get makers' work in the gift shop at Parliament Buildings. It is about developing those partnerships and relationships and encouraging organisations with that capacity, such as, as I say, museums, art centres, colleges, universities and the National Trust, not just to sell makers' work but perhaps to bring in a maker and pay them to run a course of classes, which would, in turn, give them outreach into new markets and customers who are coming into contact with that.
280. There are many different types of businesses and makers, so our work is about raising awareness of potential relationships with local makers. I was chatting to the museum people outside about the museum in Enniskillen with which we work as part of craft month in August. The museum puts on an exhibition and brings in local makers. That is a good way in which we can generate local support. We are small, so we have to do it that way.
281. **Mr D Bradley:** Is there a similar organisation to yours in the Republic?
282. **Mr J Kelly:** Yes. The Crafts Council of Ireland is based in Kilkenny. There is also a Crafts Council in London. There are similar organisations in Scotland and Wales as well. The crafts councils in Kilkenny and London are much bigger. We are lean, small and very effective.
283. **The Chairperson:** Even if you do say so yourself. *[Laughter.]*
284. **Mr J Kelly:** As evidenced by my being here on my own.
285. **Mr D Bradley:** Is that organisation in Kilkenny related to Kilkenny Design?
286. **Mr J Kelly:** No. They are in the same physical space, but they are separate organisations. Kilkenny Design is privately run.
287. Both national crafts councils were established in the early 1970s. The industry looked quite different then. Both do similar work to ours, although they are more proactive because they have more capacity for direct delivery than us. Although we would like more capacity, building partnerships is a really strong way to develop sustainability and engage others. All of us are active, to some degree, in education, by working with schools or colleges. The Crafts Council in London is particularly interested in research and in pushing the whole agenda of crafts in the creative industries. I included a document on STEM subjects which is a really interesting read. It explores all of that. The answer is that there are other organisations like us doing similar stuff, and we partner with them.
288. **Mr D Bradley:** Thank you very much.
289. **Mr Irwin:** My question has been covered. However, I have another question about the potential for export. I see that 38% of business goes outside the UK, and you reckon that there are significant opportunities for more exports. What evidence do you have to back that up? What led you to believe that that is the case?
290. **Mr J Kelly:** As part of the research that has just been completed and that which we did in 2006, makers said that they are very optimistic about opportunities for growth. That is a pretty high figure — 68% — exporting outside Northern Ireland. It is north, south, east and west; that is how it works. The market is on both islands. We have seen quite a lot of change in Northern Ireland, particularly with younger makers, who have lots of those connections. We see quite a lot of people who have been in London, for example, returning to Northern Ireland to set up their businesses, but they maintain their connections. You get the sense that there is a much greater outward-looking approach. With a product as niche as craft, the Northern Ireland market will never provide enough.

291. The export figures are healthy and reflect a good attitude in the sector. We have some funding from Invest NI to support makers in getting out. That is essential because the costs of getting into the right retail fair, show or opportunity are high. It is not just travel costs. You pay to be part of these things. You have to have slick marketing. Those are all costs and investment for them. A key point I made in the submission is that CIIF provides an opportunity for investment capital that most of our sector would never have an opportunity of accessing. Investing in an export market, product development or an online presence are sometimes difficult steps for our sector. Something such as CIIF is really useful.
292. **Mrs McKeivitt:** It is good to see you again. Thank you for your presentation. I am getting a wee bit excited about the growth and the talk about schools and colleges and the investment that could go there. Showcasing internationally is a big thing at your end of the market. Do you know of the example of something like that working in the regional college in Downpatrick? I was visiting the Milwaukee Irish Fest, and students from there had made, I suppose, Ireland's quality brand and that Celtic brand and showcased their crafts at that festival. That is something in your report that I definitely have seen with my own eyes where they went back to the college and set up a business. So, there are examples of that happening out there and I welcome in your report the way that you can go in and sell and showcase. I suppose it is selling Ireland as well. That is something that I have seen and welcome.
293. **Mr J Kelly:** Absolutely.
294. **The Chairperson:** Joe, thank you very much for coming, for taking questions and for your submission. I hope to see you back at our stakeholder events.
295. **Mr J Kelly:** Absolutely. Thank you very much indeed.

23 February 2012

Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
 Mrs Brenda Hale
 Mr Oliver McMullan
 Mr Robin Swann

Witnesses:

Mr Steven Hadley	<i>Audiences NI</i>
Mr Peter Johnston	<i>BBC Northern Ireland</i>
Ms Jill Graham	<i>Craft & Design</i>
Ms Jan Irwin	<i>Collective</i>
Mr Michael Jones	<i>Discovery Glass</i>
Ms Irene McBride	
Mr Dermot Lavery	<i>DoubleBand Films</i>
Mr Michael Ockwell	<i>Grand Opera House</i>
Mr John Anderson	<i>John Anderson</i>
Mr Ciarán McAuley	<i>Lyrice Theatre</i>
Mr John Edmund	<i>Marketing Strategy & Planning</i>
Mr Roger Fitzpatrick	<i>Northern Ireland Film & Television Trade Association</i>
Mr Mark Garrett	
Mr David Kilpatrick	
Ms Briony Crozier	<i>Northern Ireland Museums Council</i>
Mr David Hyndman	<i>Northern Visions</i>
Mr Jonathan Rose	<i>Ofcom NI</i>
Ms Ruth Cooper	<i>Prison Arts Foundation</i>
Mr Michael Maloney	
Mr Geoff Moore	
Ms Sarah McCaffrey	<i>UTV Ltd</i>
Ms Denise Hayward	<i>Volunteer Now</i>
Ms Callie Persic	<i>West Belfast Partnership</i>
Mr Fintan Cheng	<i>Womb Productions</i>
Ms Carole Kane	<i>Worker's Educational Association</i>

296. **Mr Steven Hadley (Audiences NI):** Quiet at the back, please. The performance is about to begin. Our feedback is sponsored by Creative Scotland. I just wanted to make that clear. *[Laughter.]*

297. I will go through this point by point. On the first issue, we really questioned the need for a subsectoral analysis. That was representative of the fact that the creative industries have quite different elements, the scale of which is vast, and that process does not really allow for those differences to be acknowledged.

298. We questioned whether this was about inward investment in respect of domestic markets or whether it was export focused. Although very different disciplines are involved in the creative industries, quite generic statements tend to be used about them. The indicators and definitions, especially the economic ones, do not transfer from one sector to another. Some sectors are operating in public and private, and some are exclusively private.

299. On the issue of key challenges, I banged on a bit about 'War Horse', because it is a really obvious example of the arts and cultural industries. We need the ability, resource and capacity to take risks. We talked about the need for investment in education and for third-level institutions to have a connection with the real world and industry. We questioned, from a government perspective, how you could corral creativity and try to teach it. We talked a lot about regaining confidence and creating the right environment for creative people and organisations either to thrive or to settle in Northern Ireland. There are issues around regional pride, leadership from the Assembly and, as Michael said when he joined our table, how we all work for and with each other. The example of Creative Scotland came up several times during that conversation.

300. On the third issue, it was pointed out that the measure we are looking at is not an immediate return on investment, which seems to be the mantra of so many conversations at the moment, but what the wider economy and

- society will look like 20 years to 30 years down the line. The political will to achieve anything is a recurring issue. We talked about Creative Scotland, and whether Scotland's year of creativity was something that could genuinely happen in Northern Ireland. A lot of politicians, it was felt, support cultural and creative industries when there is a clear economic output, but that will disappear when the discussion turns to different kinds of outputs.
301. It was pointed out that the Department of Culture, Arts and Leisure (DCAL) is the golden thread — it does not have the money, but it has the ideas — but there are inbuilt bureaucratic obstacles, with senior civil servants operating in silos. We had long conversations about not reinventing the wheel, in that a lot of work around best practice has been done. We referred to Creative Scotland again when we talked about that. We felt that it was important to acknowledge the irony of sitting around talking about how to be creative and then talking about copying what someone else has done. We need to be mindful of that.
302. When we addressed the fourth point, we said that we needed to be pragmatic, look elsewhere and learn from other people rather than copy from them. We noted that there is a great difference between our product base here and building a structure to develop it, by which we mean that there are issues of quality and of product being international-class and world-class. It is all very well saying that we should look at what we have and build an infrastructure on top to enable people to go to export markets and develop their businesses, but what if the product is not there in the first place? We need to have an enormous prior conversation about how we get world-class products with which to leverage economic and social impacts.
303. We talked a lot about building a cultural identity for Northern Ireland and acknowledging that we are a region of Ireland as well as a region of the UK. Obviously, that taps back into political will and is about whether we can maximise the fact that, in some senses, Northern Ireland is behind the curve, but it should be small enough and agile enough to learn from and capitalise on other people's best practice and mistakes, move quickly and get ahead of the game.
304. We felt that joined-up government is more of a dream than a reality. We need strategic investment, not funding, and a development body, not a funding body. There is a feeling that this process — although it is worthwhile and we are happy to engage in it — is perhaps, too catch-all to be useful. We feel that we need to break down the sectors for individual analysis.
305. We were talking about political will — we are looking at Creative Scotland again — and the fact that our politicians will support the cultural and creative industries if clear economic outputs are defined, but, as soon as you start talking about social or cultural capital or the value of things beyond economic considerations, they tend to be less interested. We felt that Creative Scotland had made the economic, social and the cultural argument in one go and was, therefore, something that we could learn from.
306. **Mr Ciarán McAuley (Lyric Theatre):** Good afternoon. The votes are in from table 2. We also had quite a diverse range of responses. I take Stephen's point that today's event is a catch-all process, which makes it difficult to get complete consensus, but we have got some.
307. When we discussed point 1, there was definitely a feeling that there needs to be greater recognition of the non-economic benefits of the creative industries — the more qualitative elements — but that there is insufficient evidence to prove them. Perhaps we need some more studies and research on the impact that the creative industries can have.
308. We talked about the behavioural impact of the training opportunities that are provided by the creative industries and the fact that they are not easily

- measured. Those include working with social problems such as addictions and therapy, and they are much less tangible. We need research to identify what those benefits are.
309. There was a comment that some outputs, particularly in the film industry, are not necessarily seen by Northern Ireland audiences. We need to consider routes by which our indigenous products can be seen by the indigenous people. We need to develop the local taste for local product.
310. When we discussed point 2, which was to do with identifying the key challenges, we found quite a few. I am sorry to harp on about it, but the first was the lack of funding. There is a feeling that there is not sufficient funding to support practitioners, and, therefore, practitioners are left to get other jobs.
311. Therefore, there is a challenge between maintaining their other jobs, which are helping them to feed their families, and their craft career, which they should be developing. Insufficient funding means that practitioners cannot concentrate on their crafts.
312. There is a feeling that the restrictions on grants and on the opportunities to bring in grants do not recognise the stages of different industries' development. For example, a start-up business may be able to access moneys more easily than a business that has been in operation for a number of years, even though that business has to reinvest in capital equipment, and there are no mechanisms to allow such organisations to do that. So, restrictions on grants need to be reviewed.
313. There is a also feeling that cuts in other sectors will lead to reduced service provision and that that will indirectly affect the creative learning industry. The Prison Arts Foundation, in particular, made that point. It said that the cuts in the criminal justice system were affecting personnel in prisons and, therefore, the ability of the Prison Arts Foundation to deliver in prisons. It is not just cuts in the arts sector but cuts outside it that will affect its delivery.
314. The comment was made that there is insufficient research to influence policy and that there is always a need to prove our worth. We always feel that we need to prove the worth of the creative industries, be it to politicians, policy makers or the public at large. Creative industries are seen as a soft option and, therefore, not as valuable as hospital beds or cancer units.
315. Point 3 was about the particular gaps that exist. Again, that comes back to the fact that our practitioners are dependent on part-time jobs or, on the other side, the benefits system. Therefore, risks to the benefits system could affect the creative industries.
316. There are few support networks in the creative industries, particularly for supporting the business side and giving people the business acumen they need in the industry. The forms involved are very economically driven, and people in the creative industries do not necessarily have the skills to fill them in. So, we need some support networks. There are support networks such as the Go For It network, but it is structured more for traditional, commercial and economic models of business than those for the creative industries. We feel that there is a gap, because people coming into the industry are not being given enough practical skills, and that relates back to the business part of it. Even on a practical level, we have people studying at university, but when it comes to putting those skills to use in a practical way, they cannot do so.
317. Point 4 was about other models, particularly those for craft. The feeling was that the craft models in ROI, England, Wales and Scotland are much better because separate craft councils have been set up in those regions. There are tax credits for film production in other parts of the UK and in ROI. Such tax credits are not available here, even though they would help film industry. There is a feeling that we need much more research on the audiences

- and the people of Northern Ireland, as opposed to stealing research from other regions. We need research here, because that will affect our policy and the way in which we do things.
318. On point 5, we need greater collaboration among the different sectors and collectives. The Prison Arts Foundation feels that there needs to be greater collaboration with, in particular, the Departments, because it has access to a lot of different Departments, and that works for it. A lot of the creative industries are put into the silo of the Department of Culture, Arts and Leisure, and yet we all know that those industries have greater impacts on areas such as education and social cohesion. Therefore, we feel that other Departments need to take responsibility for the creative industries. There is also a feeling that when a particular advocate of a project leaves the Department, there is sometimes a loss of momentum and support for the creative industry concerned, and that can cause a hiatus. So, some thought also needs to be given to that.
319. There is a strong feeling that the career routes from formal education into the creative industries are not robust enough to allow people aged 15, 16, 17 and 18 to see how the choices they make at those ages might affect the jobs they take in later life. We tend to push our children into formal education and traditional industries and jobs. There is a feeling that if you do art, you are going to be an artist, but that is not always the case. If you do art, you could end up in the creative industries doing costume design, film design or whatever. So we need to look at how we can allow children to develop knowledge of the opportunities in the creative industries earlier.
320. On point 6, we feel that there is a pressure to meet the demands of current interests and priorities. For example, digital media is exciting and sexy at the moment. However, for those not in digital media or that sector, there is a danger that traditional crafts and creative industries may fall by the wayside. Therefore, investment that was made in those industries is at risk, and there is a pressure to tick the boxes, as it were, to access funding. That also applies to prioritising targeting social need (TSN), which is valid. However, if you do not work in a TSN area, you feel as though your work is not valued.
321. There is a danger of investing in the now. We need to be aware of the future legacy, for example, of the film industry. If we are investing in projects such as HBO productions, which, again, are very worthy, are we looking to the future and making sure that the grassroots part of the industry is being developed enough, so that we have sufficient structures in place to support that industry if the HBO-type project disappears? There is also the danger of lower-priority areas disappearing because we are not funding them.
322. In the theatre sector, one issue that I fully support is the need to recognise the benefits of the professional sector and not just areas such as the community sector. Those are all valid, but people in the professional sector depend on funding for their work and to feed their families. We need to invest more in the professional sector and recognise its worth.
323. **Mr Peter Johnston (BBC Northern Ireland):** It is my task to try to summarise a part-conversation between four of us from very different backgrounds, which illustrates the problem of how many sectors we all represent. Undoubtedly, there are connections. The one thing that we all agreed on, however, was that there is potential for higher economic benefits. We talked about those benefits and how they manifest themselves. It is easier to spot the benefits of something such as 'Game of Thrones', but there are, for example, tourism events coming up in 2012 and 2013 that have significant benefits.
324. We talked about the individual experiences of a craft-based business and how economic benefit is generated from that. That is quite difficult to do, and we need to be more sophisticated

- about how we work out what we are trying to achieve. As others said, a lot of this is about social capital that may have long-term benefits that are hard to predict in the normal risk/return model that we use to approach those things.
325. We kept returning to the fragmented nature of our industries and the sector and how to address that. That should be a strength in a place of our size and scale. However, our perception is that we do not really have that, and we then talked a lot about the trendy stuff of clustering. However, you need to get into the detail of how and why you cluster and what you are trying to achieve by that. Some of that is probably about grouping creative people who may not have instinctive business skills and then having an infrastructure around them to be able to exploit that on their behalf, as long as it is not exploitative.
326. Government and universities have a role, but we need to define and be clear about that role.
327. The economic context is an issue. Some of the industries that we are talking about are under economic pressure. Others, funnily enough, are bucking the trend of economic pressure. There was the inevitable discussion about digital media. The key issue for us was defining what it is. Many so-called digital media businesses or industries are based on very old industries, such as selling books or connecting people socially. You have to have a proposition or service to be able to sell using digital means. It is not quite as simple as saying, "If we build it, they will come".
328. That said, digital media is clearly something to focus on, because this is a relatively peripheral place, and the beauty of digital technology is that it opens you up to a wider market.
329. We spoke about funding and how government and others can support things. A good point from David Hyndman is that we always tend to talk about funding schemes. However, are there things we can do that do not cost money but have a significant impact?
- There is a tendency to think that money will solve everything, but you have not really sorted out what you are trying to achieve.
330. To make an impact in this area more than in many others, you need to understand that it needs speed, flexibility, and probably a different attitude to risk. If there are to be government interventions, the inherent risks and the approach need to be thought through carefully.
331. We talked about training and skills as well. We think that there is a place for intensive apprenticeship schemes in certain areas. We have begun to identify those in some industries. We are involved in one at the minute with Skillset and Northern Ireland Screen. We said that thought needs to be given to how people who benefit from such apprenticeship schemes are to move to the next level. Have we really thought that through?
332. One of the challenges was prioritisation versus letting 1,000 flowers bloom. My solution to that argument is, basically, to try to do both. It is a business in which you need to facilitate creativity from wherever it comes and have an infrastructure that does that. At the same time, you need to prioritise some big projects from which you get big returns, such as the much discussed 'Game of Thrones'. You might need to do both those things at the two ends of the spectrum rather than oversimplify it, because it is not as simple as that.
333. We recognise that it is good to get people together in a framework such as this. It was quite difficult because of the differing perspectives, interests and all of that. To some degree, that is good, if what we have said is that we were too fragmented in the first place. However, you need a really detailed plan to make any tangible progress. If we just rework or reheat other theories that are too conceptual, we will not really make any progress.
334. Ciarán McAuley mentioned evidence. We, too, talked about having robust

- evidence of what the benefits are and how they most come to light, but we were more sceptical. I do not know why there is an obsession with Creative Scotland and experiences elsewhere. We think that you should learn from other places. However, we think that we need to look at those experiences very carefully, see what worked and decide whether it would fit here. We need to create some of our own solutions because, frankly, we are a bit different in all sorts of ways.
335. Like others, we also made the point about joined-up government. At least three Departments are involved in all this. We echo what someone said about the possibility of DCAL being part of the wiring — a creative connection, if you like. However, other Departments also need to play a role if the creative industries are to fulfil their full potential.
336. **Ms Callie Persic (West Belfast Partnership):** A lot has been said that we will touch on as well. We know that the creative industries have a massive economic impact. In addition to the points raised earlier, we also said that the creative industries make a huge impact on creating vibrant communities, which are attractive for investors to come and stay and for people to live. We do not want to underestimate that. It is about creating vibrancy within our city and communities, and the creative industries contributes to that, of course.
337. I will move on to the challenges. I listened to everybody, and one of the things that came up time and again is the challenge of urban and rural creative industries. I thought about it, because we are often Belfast centric. The challenges are political will, joined-up government, the need for a strategy and how to represent the sector. Should it be represented by one voice, or are there many voices, because there are different subsectors? How do we do that? How do we show better leadership? General information and communication across the sector is a real challenge for us. We may be communicating with each other, but are we communicating to the right people? Is information getting out there?
338. Everybody has spoken about skills development, which just underlines the importance of skills development and business development skills, for example. Key challenges include funding and access to finance to help people to get up and going, to become sustainable and to become businesses, if they so choose. It was also pointed out a couple of times that there are arts that will need to be subsidised. We need to recognise that not all arts will become businesses and that there is value in that.
339. We need to be a bit more innovative and quicker in risk taking. That leads us into the gaps in the curriculum, skills development and the careers guidance that people get. There are bits and pieces of financial support, so how do we join that up better? How do we get people thinking about the creative industries as a career opportunity? We talked about creative internships and apprenticeships, and it seems that a lot of people here are thinking the same way.
340. In relation to the policies, it was felt at one point that we had the lead on many things, such as the music strategy, but we have fallen behind and are being asked to take the lead from others. We want to get back to where we were. We were also leaders in the crafts but have fallen behind a little bit.
341. In terms of point 5, there are three main players: government, academia and industry. The community and voluntary sector is important too, because it is the fourth partner that brings people up and through. A lot of the time, folks are in their bedrooms writing apps, for example. How do we get them linked in?
342. Another thing that we talked about was the need for infrastructure to help artists to do their crafts and what they want to do and to provide business support for them. Maybe, different people are required to do that. How do we help get that done? The fragmentation is, of course, big, but we talked about how to create tangible things — spaces, networks, schemes and gatherings — so that we can bring people into a room and exciting things

- can happen, and that will help combat the isolation people experience when working. That is important because a lot of people are sole traders.
343. If we are going to prioritise, we must remember that these are creative processes, so a lot of the time they are spontaneous. So, sometimes we need something that will help us react and be creative. Sometimes the timescales, such as funding coming once a year, are not realistic. We need something that is more flexible; perhaps, a fund of some sort. We also need to develop the idea that we can be a bit more risk taking and take calculated risks.
344. We need to be smart about the priorities we want to target. Also, if we have targeted priorities, we need to know that there is whole value change around that. There are other subsectors that could benefit, so we need to make sure that they are given the capacity to link into those higher priorities.
345. **Ms Sarah McCaffrey (Ulster Television):** I am going to keep this brief, because a lot of the areas have already been discussed. I am from UTV, Jonathan Rose is from Ofcom, Mark Garrett is from a production company and Michael Jones is from a craft industry. Sorry that the discussion became very broadcast orientated, Michael, but we did talk about the crafts and tourism, how you could get more money from tourists and what more we could do with craft.
346. We were also discussing non-news programming and the success of Irish and Ulster-Scots programme funding. Also, we looked at how we could do more non-news programming. In the South of Ireland, there is Broadcasting Authority of Ireland (BAI) funding, and maybe something like that in Northern Ireland would be beneficial for production companies here, because, not only could they get an investment in non-news programming, they could look to network production with that form of funding.
347. We also spoke about licences. At UTV, we have our licence renewal coming up, so Jonathan and I had a quick chat about that. The radio licences are also coming up for renewal. The financing for those community licences is an issue. In Wales, according to Jonathan, the Government give funding to community radio stations. Could there be something like that in Northern Ireland? Maybe, that is something to be explored.
348. Again, the issue of skills came up. That is very important. I came from a skills focussed trainee background, so I understand how important that is. I also did an HND in media, so skills are very important. We have spoken about that, so I will not go on about it in detail.
349. We also spoke about tax rebates and were talking about people coming here to make productions and getting confused about Northern Ireland and the Republic of Ireland, because our tax rates are so different. The issue of corporation tax came up, and there was discussion about what would happen if our rates became similar or our rate became lower.
350. There was also discussion about copyright issues and the regulation of content. If you put something on YouTube, there is a whole issue with copyright.
351. Filling in forms was discussed, and that has come up a couple of times. Forms can be very bureaucratic and sometimes not very friendly, so we were talking about trying to find new ways around that. We talked about investing in talent and internships with bigger production companies. I know that the BBC is involved in a great set-up at the moment. Also, we spoke of the university of skills and transferable skill sets: what a great body it is, but it probably means more money, skills, training for young people and funding. Funding came up quite a bit. I have basically summarised that, but everything has already been addressed.
352. **Mr Michael Ockwell (Grand Opera House):** This is the joy of coming last: everything has been said.
353. We felt that, if society is judged by the quality of its social well-being, then its culture is its key driver. We are involved

- in an industry that inspires, and we should never forget that. If we cannot harness that potential and make sure that we sell it, we are totally underselling ourselves.
354. We felt that there needs to be collaboration at all levels. We think that there is a lack of joined-up thinking. The education system devalues arts and leisure, and that is a key point. We should nurture talent in the future and stop the skills-flight from here. There is a brain drain, and people are leaving these islands. We need to provide proper training opportunities.
355. As to filling in forms, we need to look at that in a different way. There needs to be a better way to distribute money, and it should be recognised that it is investment and not subsidy. Funding bodies would do better to address gaps in the market and treat the sector as a proper industry. That is not just a DCAL remit, but an all-government remit. We need to be better at making those arguments. It goes back to what was said: do we want our bins emptied, or ballet dancers on stage of the Grand Opera House? We will never win that argument, so we need to be far better at how we frame the arguments.
356. We felt that there is a lack of policy and a lack of skills and knowledge on the part of those who are trying to set the policies. We are great advocates of Creative Scotland. We thought it a very good model to look at. We felt that the creative industries are wider than just the arts. We have an all-encompassing industry, and lots of people are involved in the sector. We talked at some length about whether there should be an all-Ireland strategy; about the fact that the arts deal with identity, but they should be wider than that; and we also addressed the issue that our neighbours across the border have, for instance, no VAT on ticketing for cultural events, and no VAT on the restoration of buildings. Therefore, we are holding back, and inhibiting product that we can produce, because we are not playing on a level playing field.
357. We felt that collaboration is important; we need to develop business skills; and we need to partner proper cultural organisations with business. We need to define what a cultural sector is. Where does it start and where does it stop? Then we can determine how we can collaborate. We felt that there is a need for an audit of what is happening and who is involved. If we had an updated skills audit, we could establish a baseline. Once we do that, we can proceed to the last point, which is to feasibly prioritise which elements of our sector should get the money.
358. I have to say, however, that everyone at my table felt that the Grand Opera House was a very worthy beneficiary. *[Laughter.]*
359. Thank you.

1 March 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
 Mrs Karen McKeivitt
 Mr Cathal Ó hOisín

Witnesses:

Mr Stephen Beggs *Northern Ireland*
 Ms Eimear Henry *Theatre Association*
 Ms Charlotte Smith

360. **The Chairperson:** I welcome Stephen Beggs, Eimear Henry and Charlotte Smith.
361. **Mr Stephen Beggs (Northern Ireland Theatre Association):** Hello.
362. **The Chairperson:** You are very welcome to the Committee this morning. Thank you for responding to our inquiry. Stephen, will you please introduce your team and make an opening statement of about 10 minutes? After that, members will ask you some questions.
363. **Mr Beggs:** Thank you very much, Chair and Committee members, for having us here today. I am Stephen Beggs, and I am the chair of the Northern Ireland Theatre Association (NITA) and the manager of the Bruiser Theatre Company. With me today are Eimear Henry, who is the treasurer of NITA and a member of Replay Productions. Eimear and I are two members of the voluntary board that runs NITA. Our one staff member is Charlotte Smith, who works with us part-time as a co-ordinator.
364. I want to thank you for the opportunity to present to the Committee on its inquiry. When NITA last gave evidence to the Committee on a budget set in a previous mandate, we were heartened that the Committee took up so many of our concerns, which resulted in a much less drastic cut in funding for the arts and theatre sector.
365. NITA is the representative body for professional theatre in Northern Ireland. We promote Northern Irish theatre on a local, national and international scale on behalf of our members. We also deliver tailored training; collect and disseminate sector-specific information; support and facilitate networking among performing arts professionals; and facilitate informed lobbying, research and advocacy on behalf of our members and the sector. Those activities are all designed to build capacity and to strengthen professional theatre in Northern Ireland. Our extensive membership is drawn from across Northern Ireland, including independent theatre companies, such as Sole Purpose Productions in the north-west and Prime Cut Productions in Belfast; regional venues, such as the Ardhoven Theatre in Enniskillen, the Down Arts Centre in Downpatrick and the Market Place Theatre and Arts Centre in Armagh. It also includes flagship theatres such as the Lyric Theatre, the Metropolitan Arts Centre (MAC) and the Grand Opera House. Also among the membership are Northern Irish theatre festivals, such as the Belfast Festival at Queen's, Belfast Children's Festival; and a number of individual members, including freelance designers, actors and drama students from the University of Ulster and Belfast Metropolitan College.
366. At a time when many Northern Irish industries are in decline, the creative industries stand out as an opportunity for continued growth and increasing global recognition. We believe that theatre and the performing arts are a critical and public-facing part of the economic potential of the wider creative industry that stand alongside the likes of film, television, design and the music industry. Although the individual needs of each sub-sector in the creative

- industries may vary, the industries share fluidity in their workforces and an equal potential to contribute to Northern Ireland's creative economy.
367. In our response to the inquiry, we wanted to underline that, as part of the industry and despite historical underfunding, the theatre performing arts sector continues to professionalise and consistently grow its economic and social return relative to the size of the investment. We are ready to take the opportunities to grow as part as the creative industries. However, to meet the aspirations of the Executive, we believe that government cannot focus exclusively on the development of one or two sub-sectors. To grow a sustainable and authentic creative industry in Northern Ireland, we must support and grow the existing creativity and link it to the aspirations of government.
368. NITA hopes that the inquiry will bring forth a sustainable and long-sighted approach to supporting the creative industries, which will recognise their vital economic contributions, their sociocultural value, the interconnectedness of the different elements that make up the creative industries and their interdependence on one another for economic success and inspiration. We appreciate that the inquiry has given the sub-sectors of the creative industries an opportunity to highlight the key challenges that must be addressed if the sector is to fulfil its full economic and social potential.
369. Culture and the arts are among Northern Ireland's most visible and internationally recognised assets. They positively impact on economic growth, job creation, health, education and social cohesion. If the desired result is thriving and productive creative industries, the litmus test will be the health of the arts sector.
370. **Ms Charlotte Smith (Northern Ireland Theatre Association):** As the most popular art form, theatre contributes directly to the economic potential of the creative industries. Around £9.4 million is generated annually in theatre ticket sales alone, and, with the opening of capital projects and forthcoming major cultural programming events planned for 2012 and 2013, we hope to grow that figure.
371. I will put the return on investment in perspective: the total annual ticket sales for the arts sector of around £16.2 million eclipses the Arts Council's entire annual budget, in spite of continued underfunding relative to other parts of the UK and the Republic of Ireland. The Arts Council has long championed the statistic that £1 invested by it generates £3 in the local economy. Indeed, a socio-economic study of one of our members — the Grand Opera House — found that every £1 invested resulted in over £5 being spent in the wider economy.
372. The potential of the creative industries for economic growth goes hand in hand with the potential for job creation. Theatre buildings and companies offer the direct employment of actors, dancers, musicians, designers and directors. Creative professionals make up more than 15,000 of the current 30,000-plus jobs in the creative industries — 4.6% of Northern Ireland's total workforce — and creates additional employment for businesses through the supply chains connected to the performing arts.
373. In the past, investment in arts and culture has been perceived as a diversion of capital and labour into essentially unproductive activities. We believe that the success of the performing arts must be recognised, especially its potential as a feeder sector to the larger creative industries. There is an interdependency that makes the success of the latter inextricably tied to effective investment in, and fostering of, the arts. TV dramas and films, for example, do not exist in a vacuum; in fact, they would not exist at all if those involved in such productions did not have access, exposure and opportunity within the arts, and, particularly in the case of TV and drama, theatre.
374. Our neighbours in Scotland have pursued the economic and employment potential of the creative sector to good

- effect. With the creation of Creative Scotland to develop all the creative sectors, Scotland maintains the highest spending per capita in the UK and Republic of Ireland as it continues to build on the return on its investment. We are mindful of the commitment that the Executive have made to support 200 individual projects through the creative industries innovation fund (CIIF) the £20 million investment in the new Lyric and MAC and the £33 million invested in regional theatres across Northern Ireland over the past 15 years. However, without sustained support of the companies delivering programmes in the theatre sector, those well-intentioned investments will not fulfil their full potential return in the growth of the creative industries.
375. Very few creative businesses have the critical mass of in-house skills and market knowledge fully to exploit export opportunities. Performing arts organisations in Northern Ireland have achieved international success with touring shows, but more support is required to develop capacity, conduits and market intelligence. To fulfil our export potential, public investment must reward ambition. At present, that is restricted by our funding mechanisms. For instance, one of Northern Ireland's most successful exports to the West End was 'Puckoon' by the Big Telly Theatre Company. To take its critically acclaimed show on to an international stage, it had to avail itself of reserves built up over a five-year period, and many other ambitious theatre companies would not necessarily have the capacity to do that.
376. **Ms Eimear Henry (Northern Ireland Theatre Association):** We export a wealth of talent: people who leave Northern Ireland's theatre industry to pursue global ambitions. Growing our native theatre will allow global success to be developed at home, thereby retaining our leading talents in acting, directing and scriptwriting. Theatre also contributes to a vibrant, cultural nightlife. That is specifically cited by foreign direct investors as an important part of attracting the executive workforce that Northern Ireland hopes to secure.
377. Potential growth in the cultural industries runs parallel with growth in cultural tourism, an area that globally accounts for 40% of all tourist activity. Theatre and the performing arts will be a significant component of the Titanic and City of Culture tourism programmes. The creative industries also have the power to break down social boundaries, create platforms for dialogue, integration and knowledge-sharing, which, in turn, help to drive the creative industries' productivity and the economy of Northern Ireland.
378. In 2009, there were 64,464 captured visits to the theatre, not only supporting the performing arts as a critical part of the creative industries but nurturing creativity and social interaction for all involved, from creator to recipient. I could not put it better than the Community Relations Council:
- "Theatre and the arts reflect our shared gift of self expression, our capacity for reinvention and can act as a catalyst for change. They provide a medium to reconcile our past and imagine our futures, and educate people in the values we share as a society."*
379. An example of that, from the heart of NITA itself, is our member Terra Nova Productions, which believes that it is only by working at the points at which cultures touch that we can tackle the really big questions. The creative industries, in this case, are international in their outlook and breadth, as Terra Nova works with colleagues in London, Hong Kong and Greenland, but is equally local in its impact through programmes and projects with Polish, Bangladeshi, Mandarin and Cantonese communities in Northern Ireland.
380. Nurturing the creativity of children and young people is fundamental to a healthy society and a vibrant, productive and sustainable creative economy. As well as giving many children their first taste of the arts, thus ensuring future generations of actors, writers and designers, theatre can tackle important

- and challenging issues such as bullying, alcohol/substance abuse, healthy living, mental health and social inclusion. Creativity at the heart of education has tangible outcomes from increased critical thinking, problem-solving and literacy to lower absenteeism and improved self-confidence. In a recent report on the social return on investment, which was commissioned by Lloyds TSB Foundation on my company, Replay, it was found that, for every £1 invested in delivering our arts projects in schools, £4.20 worth was delivered in achieving key curriculum objectives.
381. The long-term success of the creative industries in Northern Ireland is dependent on an education system that nurtures and promotes creativity from the earliest age. The arts, in that context, are the most cost-effective and valuable mechanism in achieving that. Skilled, innovative and creative people are the creative industries' greatest asset. To fully tap into Northern Ireland's creative potential, government need to provide consistent policies and strategies for the education, training and retaining of such individuals. To enable Northern Irish industry, both creative and otherwise, to flourish, the arts must become an integral educational component, rather than just an educational add-on.
382. We believe that there must be a move from current educational models and methods focused on science, technology, engineering and mathematics (STEM) to models focused on STEAM, with the inclusion of the arts. That approach is already being pioneered in the state of Rhode Island in the United States. There, culture-tech businesses are evolving, and there is an effective education strategy of putting an onus on encouraging cross-disciplinary learning to assist the production of high-quality creative ideas and skilled people to bring those ideas to export. Apple and Google are two classic global examples of its success. If we want talented, creative people who will foster innovation in all industry, we must first invest in arts in education.
383. **Mr S Beggs:** Creative industries are interconnected and interdependent. Professionals move fluidly between the creative industries, and they learn, refine, transfer and utilise their skills and knowledge as they pass from sub-sector to sub-sector on various different projects. Investment in Northern Irish theatre has greatly enriched the development of a large pool of skilled arts professionals working in our industry: actors, directors, designers, technical crew and playwrights. With creativity heralded as the driver of social and economic change during the next century, the creative industries are a clear, sustainable investment for the future, and the performing arts must continue to form a part. If you intend to grow the creative industries, it simply does not make sense to continue to reduce the available investment to vital organisations such as the theatres and the performing arts companies that represent them.
384. We thank you very much for the opportunity to address the Committee this morning. We will be delighted to take questions.
385. **The Chairperson:** Thank you for your excellent paper and presentation. You are the first group to mention STEAM to the Committee. That is a really interesting concept, and it makes a lot of sense. Will you develop that a little more for us?
386. **Ms Henry:** In Northern Ireland, we are quite progressive as to where the arts sit within the primary curriculum, and the arts are a central part of that curriculum, alongside, and with status equal to, literacy, numeracy and science. In the secondary curriculum, the arts are not quite as strong but still have prominence and value. However, we feel that the importance of the arts needs to be clearly articulated in the strategy, starting with the training of teachers, in which there is a very clear weakness. At the moment, the arts are identified as a key curriculum target, but teachers in our schools do not have the training or experience to deliver that to its full potential. Also, the arts have cross-

- learning potential: they are not a subject that exists in a vacuum. Nurturing children's creativity is an essential part of learning science skills, engineering and computer science, and that needs to be embedded in the strategies, the curriculum and teaching methods.
387. Northern Ireland has made really good progress, especially at primary level, but we need to close the circle and take that right through to third-level education. When those people qualify, the next stage is to retain that skilled workforce in Northern Ireland and to be able to give them opportunities to work in the creative and other industries here.
388. **The Chairperson:** You spoke of well-intentioned investments.
389. **Mr S Beggs:** We do not mean that in any kind of negative way. We are delighted with those well-intentioned investments.
390. **The Chairperson:** In your response, you talked about the creative industries innovation fund failing to meet the needs of the sub-sector. What alternatives do you see to that?
391. **Mr S Beggs:** We say throughout the paper and presentation that those investments are very welcome, but you cannot separate high-profile investment in the creative industries from the reduction year on year in the investment in the performing arts and theatre, and the arts in general. To make those existing investments meaningful and sustainable, the foundation on which it is all built cannot be continually eroded.
392. In the creative industries in particular, current funding models restrict the ability of companies such as ours to export our product by, for example, taking a very successful show to somewhere such as the West End or Broadway. When we have a culturally exportable product, we are not really in a position to apply to Invest NI. Experience from several of our members shows that the creative industries innovation fund will allow for the development of what is currently perceived as product. Charlotte mentioned, for example, the Big Telly Theatre Company's production of 'Puckoon'. When the company contacted CIIF to look at ways in which it could be helped, it was given funding to develop live ads, which were perceived as being a tangible product that could be used to market the work. However, the production itself was not looked on as being a product, and, therefore, the company ended up eating into critical reserves, even reducing them to zero. That was a big risk, and a company the size of the Bruiser Theatre Company, which I manage, would never have been able to afford to take that calculated and qualified risk.
393. **Ms Henry:** Understandably, current funding models are supportive of the idea that we create a product for local people. That is a vital and essential part of what we do. However, the idea of risk or creativity with international or export potential is not supported. The system is just not set up to support that. Therefore, naturally, we look to funds such as CIIF, or somewhere such as Invest NI, to take that more venture capital, or risk, approach to investment to enable us to take the product to market. That is not currently open to the performing arts as a critical part of the creative industries.
394. **The Chairperson:** Attracting big productions, such as 'Game of Thrones', has been a huge success for Northern Ireland, but what benefits have your members gleaned from that?
395. **Mr S Beggs:** There is fluidity between the subsectors of the creative industries. There is no doubt about the significance of a show like that coming to Northern Ireland. For example, David Craig, who was one of the designers on 'Game of Thrones', has been a theatre and opera designer for years. He has worked with Bruiser and at many of the venues in Northern Ireland. For him to get that kind of exposure and to be able to work in that arena on an international platform is fantastic. It also gives the arts and culture sector in Northern Ireland a big, high-profile boost. Those are the sorts of opportunities that our members get from such productions. However — this may sound like our mantra, but we keep

- emphasising it because it is so important to us — if, in 10 years' time, the indigenous, home-grown performing arts and theatre sector here is eroded, it will not be possible for us to put Northern Ireland professionals into such projects, and they will stop happening.
396. **The Chairperson:** Of course, Northern Ireland had great success at the Oscars.
397. **Mr S Beggs:** Absolutely. That is the thing. Theatre actress Maggie Cronin, for example, gave a great performance in 'The Shore'. Last week, I saw her performing to a packed audience in the Ulster Hall Group Space at lunchtime. So, while she is winning Oscars, she is also bringing continued enjoyment and enrichment to the cultural lives of people in Belfast. It is a two-way street.
398. **Ms Henry:** That is what we mean by interdependence. We absolutely value the visibility and profile of those really big, high-profile events, but, equally, they would not exist without our sector. We are the people who create the actors and the designers who work on those productions and films to allow them to happen in Northern Ireland.
399. **Mr S Beggs:** That is what makes them Northern Ireland things, not just something that is parachuted in, with the greatest of respect, at a time when the climate is good for that. If we want those productions to stay when it becomes easier for people to produce them somewhere else, and if we still want to be able to champion our indigenous product here, we have to make sure that the investment in what we have here is maintained.
400. **Mr D Bradley:** Thanks very much for your presentation. The Chair mentioned the movement from STEM to STEAM, and drama is now a subject in many schools. You say that creative arts skills should be more embedded across the curriculum. Your paper states:
"For example, bring business thinking into creative education; conducting project based learning requiring entrepreneurship".
401. Will you expand on what you mean by that?
402. **Ms Henry:** At the heart of the risk taking and entrepreneurialism of global successes such as Google and Apple was the idea of where business and science and technology meet art and design. That needs to be embedded at a really early age and embedded in young people's learning, because the success of those businesses was as much about creativity and the fact that you could market them to people and engage with people as it was about the science and technology behind the products. As much as we are saying that the arts need to be stand-alone as a discipline and in the subjects in the curriculum, we are also saying that they must be embedded in how young people learn all of their subjects and in how teachers are trained in delivering those curriculum objectives. For us, the key issues are involvement at an early stage and how teachers come out of our training colleges.
403. **Ms Smith:** The notion of risk is really interesting. It is important that younger generations are told that it is OK to take risks and see what happens. That really allows them to let their creativity show. We want entrepreneurs from the younger generation to stand up and be willing to take risks, because a lot of risks pay off.
404. **Ms Henry:** Innovation requires creativity. If we want our young people to be innovators, they need to be coming out of school as creative thinkers.
405. **Mr D Bradley:** Is it your view that the creative industries fund places too much emphasis on the digital or video aspect of the creative industries and not enough on the more human side?
406. **Mr S Beggs:** Absolutely. The fund is very welcome, but it is a fund that funds extras and enables an existing organisation that already produces great work to enhance what it does. However, those enhancements will not mean anything if the organisation disappears. The creative industries innovation fund is brilliant when placed alongside proper core investment in the companies that can apply to that fund.

407. **Ms Henry:** It should not be an either/or. One of the richest things that we have in Northern Ireland is our cultural offering and our art. That is what we are recognised for globally. Therefore, is that not the perfect starting point? We should continue to invest in that to create really vibrant creative industries rather than focusing on something that is relatively new to us. We should start from where our strengths are.
408. **Mr S Beggs:** Understandably and rightly, everyone gets excited about fantastic things such as ‘Game of Thrones’ being made here and the MTV Awards coming to Belfast. Those things are extremely exciting and, let us face it, would never have happened 10 years ago. However, we have to ensure that we do not take our eye of the ball. As Eimear says, it is not a case of either/or, although it is completely understandable that people will be more excited by that side of things.
409. **Mr Ó hOisín:** You mentioned the centrality of the creative industries and arts sector to life here. I note in your paper that Aideen McGinley, the chief executive of Ilex and the City of Culture in Derry next year, sounds a note of caution as to how best it can be dealt with. Is the industry ready for the remarkable series of events that will happen over the next couple of years? How can you maximise the opportunities and identify the pitfalls that might be presented by those events, which are on top of us already?
410. **Mr S Beggs:** We will have those big flagship arts events and arts seasons or festivals. The MTV Awards, for example, were given real legitimacy and Northern Irish character and flavour by the fact that, for every Justin Bieber at a hotel window, there was a parade of local acts, from the high-profile ones such as Snow Patrol right through to those taking part in Belfast Music Week, when every available space in Belfast was crammed with top-quality local events. Our local product interacted with the big, international, high-profile event that came here.
411. The City of Culture or the Titanic Festival will only become valuable and important when we stop the experience becoming like the experience of going to any city and the high streets all looking exactly the same. What will make those events unique to Northern Ireland is top-quality local product. We are ready to meet those challenges and provide that product. For example, the brochure for the Titanic Festival has just been published, and there is a lot of really great local product in there. If that is not replicated in the north-west next year, that would be a problem.
412. I do not think that we should be frightened of the profile that those events will bring us, but we need to ensure that we commit to supporting local content in those events.
413. **Mr Ó hOisín:** Do we run the risk of overkill over the next couple of years, to the detriment of future development?
414. **Mr S Beggs:** I really do not think so. I think it is a time to celebrate and shine a light on what we have here. We have had long enough of the opposite. Far from overkill, this is a time to celebrate.
415. **Mr Ó hOisín:** Good; I am glad to hear it.
416. **Mr McMullan:** Thank you for your presentation. It was very interesting. You say in your paper that there is a need for the creation of:
“a specific body to cheerlead and advocate for investment in and strategic policy planning on behalf of the Creative industries.”
417. Are you saying that that body should move away from the Arts Council and be totally independent? How would that work, and who do you see running that or funding it or whatever?
418. **Ms Henry:** We are not necessarily saying that about the Arts Council at all. We look at Scotland as an interesting model. The success there has been built on by the creation of Creative Scotland and that holistic approach that sees the creative industries as one, including the arts. That is extremely interesting. The situation in Northern Ireland is unique in that the Arts Council has both

- a funding role and an advocacy role in its relationship with the Department. What we specifically mean by our suggestion is that we need something that is supported by government but comes from us as a sector. It could be something as informal as a platform through which all the different sectors and interest groups could get together, or something more formal, such as an advocacy body through which we could identify the gaps in policy and strategy and work with government to fill them.
419. **Mr McMullan:** We talk about Creative Scotland, and we could say the same thing about Creative England or Creative Wales. Are we not a wee bit behind in that we have a creative Northern Ireland and then you have Ireland? In the creative industries, you are battling two here on your own doorstep.
420. **Mr S Beggs:** Creative Scotland is unique in the sense that —
421. **Mr McMullan:** It is only an example.
422. **Mr S Beggs:** Do you mean the pull between Northern Ireland and the Republic of Ireland in that respect?
423. **Mr McMullan:** Yes.
424. **Mr Stephen Beggs:** From our perspective, we have to look at Northern Ireland, because that is where we work and that is the economy and society that we contribute to. We always want to work in partnership with our colleagues in the Republic of Ireland and complement their work. We work quite closely with Theatre Forum, which is based in Dublin and is our equivalent in the Republic. We are bringing the first all-Ireland arts conference to Belfast in June. It will take place in the reopened Lyric Theatre, and practitioners from all over — the Republic of Ireland, Northern Ireland and internationally — will be coming here to look at ways of championing what is happening here in Northern Ireland. We will look at other international models to see how to take that forward and how to capitalise on the brilliant opportunities in 2012 and 2013, and we will look at how, in the long term, we can make prior and
- existing investment and future potential investment meaningful and sustainable.
425. **Ms Henry:** I do not think that it is a pull at all. I think that it puts us in an extremely strong position in terms of market potential and our potential relationships with other parts of the UK and Ireland. That puts us in a unique and positive position. Where there needs to be a greater concentration of working and partnership is at a cross-departmental level within Northern Ireland itself. I think that the key is for the Department of Culture, Arts and Leisure to work in partnership with Invest NI, the Department for Employment and Learning and the Department of Education to realise the potential of the creative industries.
426. **Mr McMullan:** Do you not agree that there is a difference between here and the South of Ireland as far as the creative industries and funding are concerned? How much funding goes into the creative industries in the South of Ireland? One small example of the difference is that VAT is charged on tickets here but no VAT is charged on tickets in the South of Ireland. There are also benefits for the promotion of the creative industries on television that you do not have here. Are those differences not a pull on resources? That is what I am getting at. Would it not be far better to deal with that aspect to try to create an even playing field? While there is a difference, the bigger players that you are talking about getting in will go where the financial benefits are.
427. **Ms Henry:** There are specific financial incentives that the Executive can look at offering to attract that kind of investment. However, the key to the lessons that we can learn both from Ireland and Scotland is the holistic approach. The real advantage for both Scotland and Ireland has come from looking at how they can support the growth of the creative industries at a cross-departmental level. Part of that will obviously involve financial incentives, but the solution is more about the strategies that cross over education, employment and learning, economic investment and our culture and arts offering.

428. **Mrs McKeivitt:** It is good to see you again. You mentioned the global recognition that we have in the culture and arts sector. Do the creative industries have any plans to play a lead role in the forthcoming commemorations? For example, are there any plans to use theatre, dramas, plays or films in those celebrations?
429. **Mr S Beggs:** Lots of our members are very actively involved in those areas. A good example is the involvement in the Titanic commemorations. One of our members, Kabosh, is heavily involved in a lot of the activities for the Titanic commemorations and has been working in partnership with the Ulster Folk and Transport Museum on its Titanic exhibition and with the Northern Ireland Tourist Board on developing the Belfast Bred tour. It is very much about tapping into and using theatre and the creative industries to cross over with cultural tourism and put that unique, characterful local product into those events. It is also about crossing over between the different bodies and forming partnerships that can really maximise the potential of the performing arts to contribute to those celebrations.
430. **Mrs McKeivitt:** So you think there is the potential to give arts and culture a boost.
431. **Mr S Beggs:** I do; absolutely. As we were saying earlier, it is a very exciting time of opportunity and potential. At a time when a lot of other areas of public life seem so dark, we have an opportunity.
432. **Ms Smith:** It is also a wonderful opportunity to showcase the amazing productions in Northern Ireland. There will be so many people coming from abroad, and for them to see what we are doing on a cultural and artistic level is a fantastic opportunity.
433. **Mrs McKeivitt:** You talked about the younger generation and taking risks. On the issue of open days in schools and performances given, particularly the one by Friends' School Lisburn, which is on YouTube, is that something that you support for the future?
434. **Mr S Beggs:** Absolutely. That example is interesting, because it was, I think, an ex-pupil of Friends' School who came to the school with the proposal. It was risk-taking both in the manner in which it was filmed, if you were one of the parents watching it, and because it was put on YouTube, which makes it terribly public. It has been a massive success for them. It was very risky, but very creative and innovative. That school fosters a culture of that kind of activity. The performing arts and theatre industry here stand shoulder to shoulder with film-making and online innovations. They are all part of the same exciting environment that we find ourselves in.
435. **Ms Henry:** Yesterday, I was at a youth theatre conference in Belfast. One of the keynote speakers said that, at a conference that he attended a couple of weeks ago, a leading consultant in England said that his experience of the arts and youth theatre when growing up was as much of a contributor to making him a good surgeon today as were the years of medical training. We passionately believe that creativity in the arts makes for better teachers, better doctors, better nurses and better people.
436. **Mr S Beggs:** That was someone who had no intention, necessarily, of becoming an actor. He just had the opportunity to be exposed to that kind of activity early in life. He said that he believed that that was a key part of his development and that it enabled him to have empathy and to connect with his patients and colleagues. It also helped with the public speaking required in the advocacy of his sector.
437. **Mrs McKeivitt:** I have nothing to say other than that I really enjoyed your presentation. It was very informative. Thank you very much.
438. **The Chairperson:** I was privy to Mrs McKeivitt's performance a couple of weeks ago at the Newry drama festival.
439. **Mr S Beggs:** Excellent.
440. **Ms Henry:** That is what we like to hear.

441. **Mr Irwin:** I apologise that I had to leave for a few minutes during your presentation. Forgive me if I ask a question that has already been asked. I was interested to hear Eimear saying that young people need to take risks. I agree that that is important. I think that young people can be imaginative, whether in the arts, the creative industries or even in business. Young people take risks, and I know from experience in business that, if the risk is not too high, people can be very successful when it works out for them. What kind of support do you believe should be given to our creative industries to exploit international markets?
442. **Mr S Beggs:** It would be very interesting to be able to explore a partnership between Invest NI and the Arts Council to help the industry to export its product. We talked earlier about the current problem tending to be that the production itself, such as a play, is not seen as a product or an exportable asset. We mentioned the creative industries innovation fund and Big Telly Theatre Company's production of 'Puckoon' — the Spike Milligan adaptation that was very successful in the West End. The creative industries innovation fund was available to fund the project that produced a live ads package to go with that, but it did not provide funding for the production itself. We need to regard a production as having as much potential as exporting a car, or whatever. That would be a very interesting way for Departments to work together to look at ways of maximising that potential, especially in light of the hugely exciting things that have come into Northern Ireland. It would be great to be able to look at ways of taking those exciting things back out again.
443. **Mr Hilditch:** Thanks very much for your presentation. Many of your figures are based on central government support and funding. Further to Karen's point, much good work goes on at community level on productions reflecting a number of centenaries this year. Many councils are subsidising town hall productions
- again. Have you taken that into account in your presentation?
444. **Mr S Beggs:** Absolutely. It is as much about increasing co-operation between local authorities and arm's-length bodies such as the Arts Council as it is about central support from DCAL. In Northern Ireland, the most successful and legitimate events, for which the people take ownership, happen when they all work together. It is very heartening to see local authorities taking that role, but I do not think that we would advocate that they should do it instead; it should be done together. It should not be a matter of either/or. It sounds like we are saying that a lot, but that is when it works best.
445. **Mr Hilditch:** At the other end of the scale, you mentioned a figure of £16 million in ticket sales. Given the economic situation in which we find ourselves, have you found that to be a level playing field or is attendance going down?
446. **Mr S Beggs:** Encouragingly, the picture is surprisingly buoyant. Venues and production companies are working very hard to make events as affordable as possible. Most of the tickets for the Belfast Children's Festival, which opens next week, are on sale for £5 or £6. In fact, the £6 tickets are the most expensive.
447. **Ms Henry:** My company, Replay, has a show in that festival. We are the first local company to appear on the main stage at the Lyric Theatre, and we have children coming from all across Northern Ireland. In fact, we had to add additional shows. The key to that is that we were lucky enough to secure private investment to offer free transport: if the schools could pay for their tickets, we could get them to the theatre. That is an example of our being innovative and working with government and private investment. As long as we keep access open, the demand for what we do will continue.
448. **The Chairperson:** I have a quick final question on your submission. You mention that you are launching a series

- of bursaries for technical and production crew this year. Are you doing that in collaboration with anyone else? How are those being funded?
449. **Mr S Beggs:** We are terribly proud that it is through our funding from the Arts Council.
450. **Ms Henry:** A lottery grant.
451. **Mr S Beggs:** Instead of parachuting in training, whereby someone is paid quite a lot to get on a plane and come from somewhere else, we will use the amazing pool of professionals whom we mentioned. Those are the people who can train up our young people and emerging professionals. We put out a call to our own membership, which covers just about every venue and production company in Northern Ireland, and asked whether they would be in position to host one of those bursaries. The bursaries are not cosmetic; they are not work-experience placements. Well, they are to an extent, but the young people are not there just to photocopy and make the tea. We told members that they would have to mentor the young people, agree a series of aims and objectives and provide real hands-on training in a particular area.
452. Then, we put out a call to emerging professionals through many of the networks to which we have access through the universities and colleges. We asked a board member who co-ordinates an emerging professionals working group, which involves lots of small unfunded companies and individuals working away and developing what they do, to spread the word that this opportunity was coming up. We interviewed the candidates and selected four young people for the placements. Who are the hosts, Charlotte?
453. **Ms Smith:** The hosts are MAC, Big Telly Theatre Company, Kabosh Theatre Ltd and Cahoots NI. It is important to highlight the fact that there was huge demand from members willing to host placements. I was really impressed by how many of our members wanted to help the sector to grow. After interviewing the young people, we had to make incredibly hard decisions, because so many of them had the enthusiasm, passion and basic skill set and were on their way to an amazing career in the theatre. It is wonderful that they will be trained up. We just have to retain them in Northern Ireland.
454. **Ms Henry:** The demand was six times higher than the number of places that we could fund. That is illustrative of the number of people coming out of third-level education who want to get into employment. We need to create the opportunities to retain them in Northern Ireland. The young people who come out with skills need to be taken to the next level for them to be employable on a long-term basis.
455. **Mr S Beggs:** Four is small number of bursaries, but it is a pilot scheme, and we would love to be able to develop it over the next few years. One placement is with MAC, where, through a series of big events, the young person will learn how a venue works with companies coming in and out. The other three placements involve, for example, going on tour with projects. In fact, Cahoots NI's tour will go beyond Northern Ireland to England, and the person will be paid at the recommended Equity rate while on placement. So the young people will be trained and paid at the same time. The host company is paid a small amount to cover the mentoring time. Also, it is not just another scheme asking people to work for free. We believe that it will offer a real return on investment.
456. **The Chairperson:** It is a fantastic example of the sector working for itself.
457. **Mr S Beggs:** That is it exactly.
458. **Ms Henry:** With a small level of investment from the Arts Council.
459. **The Chairperson:** Thank you very much. It has been a very informative session, and we hope to see you again soon.
460. **Mr S Beggs:** Thank you very much. It has been much appreciated.

8 March 2012

Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
 Mr Dominic Bradley
 Mr Michael McGimpsey
 Mr Oliver McMullan
 Mr Cathal Ó hOisín
 Mr Pat Sheehan
 Mr Robin Swann

Witnesses:

Mr Richard Hill *Northern Ireland*
 Mr Richard Williams *Screen*

461. **The Chairperson:** I welcome Mr Rick Hill, chairman of Northern Ireland Screen, and Mr Richard Williams, its chief executive. Gentlemen, you are very welcome to the Committee and thank you very much for your written response to the inquiry. If you would like to make an opening statement, members will follow up with questions.
462. **Mr Richard Williams (Northern Ireland Screen):** I wonder whether it would be useful for us to respond to some of the tax credit discussion in the previous session.
463. **The Chairperson:** We can do that now or during the question-and-answer session, whichever suits best.
464. **Mr Rick Hill (Northern Ireland Screen):** We will start by thanking you for the opportunity to come and speak to you again. Some of the issues that we have raised in our written evidence and will probably raise in response to questions are issues that we have rehearsed before with this Committee and the previous Committee for Culture, Arts and Leisure. Some of the things that will take us from good, which is, clearly, the position that Northern Ireland Screen is in, to even greater lie in the area of tax credits and some of the other issues that we raised previously.
465. I am grateful to my colleague for presenting some of the tax credit issues. Richard, do you want to say more about what is happening in the UK? There has been a lot of press recently about tax credits for high-end TV in 'Broadcast', the newspaper for the broadcast industry.
466. **Mr Williams:** It is useful to start there because tax incentives for the film and television industry are the single most important lever, driver or whatever you want to call it. A question from the earlier session was whether they are working for film in the UK: the answer is absolutely, 100%. It was correct to highlight in the previous session that — to put it in the negative — if there were no tax credits, the film industry would be decimated. There would certainly not have been any Harry Potter films made in the UK, or any big Ridley Scott films. There would be no big films. That is the first thing.
467. I have to confess that I do not know about the situation in Nigeria, but to answer an earlier question about India, the levels of support there are much lower, if there is government support at all. However, they have such a massive, built-in audience there. They have an indigenous local economy that works, which you cannot have in Northern Ireland or within the UK and Ireland. It is not big enough. It is interesting to analyse that. They do not require the same levels of public support, but they are in a very different environment.
468. It would be useful to update the Committee. Obviously, we are on record as being extremely keen to extend tax credits, particularly to embrace high-end television drama such as 'Game of Thrones'. That is probably the biggest growth area in the global television market. We all know that because we all see the celebrated, much more

- expensive television drama shows that look more like film.
469. Prior evidence was presented accurately, but I would have presented it a bit more forcefully. The UK and Germany are the only places in Europe that do not extend tax relief to high-end television drama. Even in Germany, there are mechanisms at the level below federal government to support television drama. Every state that supports film in the United States also supports television drama. Therefore, I would put that point a little more strongly. Also, the sector has recently discussed the need for high-end television drama, and, in UK Government circles, the Department of Culture, Arts and Leisure (DCAL) funded a report that I was involved with, and that has gone to the Department for Culture, Media and Sport (DCMS). It presents case study arguments for and against tax relief, with 'Game of Thrones' as the primary case study, and the value that that presents was highlighted. That case study has led to a very vocal debate in the sector. The trade magazine 'Broadcast' is the main place where film and television issues are debated in the UK and it has led with the issue in the past three weeks and is very much in favour of the extension of the tax credit.
470. I need to be careful what I say here, but DCMS has looked at the matter energetically. I believe that the Treasury is now looking at it, but that is a bit of a distance from me, so I cannot comment. It is a live issue. It might be useful to provide the Committee with some contemporaneous reporting on that, and I will undertake to do that.
471. **Mr Hill:** We have probably completely undersold Northern Ireland Screen in that regard. We have shown clearly the value of high-end television to our local economy and the impact that a tax credit for high-end television, similar to the one for film, would have. We have highlighted the good work that the Executive and Northern Ireland Screen have done over the last number of years. In a UK context, Northern Ireland is the shining example, which is a nice place for us to be.
472. **Mr Swann:** There is 20% tax credit for film at the minute. If that were raised to 25%, 28% or 30%, how much more money would that bring in?
473. **Mr Williams:** That is a bit of a red herring. The UK tax credit is working, and, if you go into the detail, you can see that it is competitive against some of the tax credits that have a higher headline percentage. It gets more complicated as it is to do with what you can claim the tax credit on. There are more generous rules in the UK in respect of what you can claim within your production budget. Therefore, that shifts the balance a bit, but I do not think that is a big issue. The big issue is extending it beyond film to, at the very least, high-end television drama, but, ideally, children's drama and animation.
474. **Mr Hill:** A lot of high-end television drama is going elsewhere in Europe. It is going to South Africa, Croatia and Hungary. We in Northern Ireland are trying to compete against a country that offers a 20% tax break on television drama, and we cannot offer one at all. That makes life very difficult in terms of attracting some projects to Northern Ireland or the UK as a whole. A number of big projects that are well known in the public domain have gone elsewhere. For example, Julian Fellowes' 'Titanic' was made in Hungary. It is a story about Northern Ireland, and it is being made in Hungary. Why? Because Hungary provides a tax credit for television drama. It is undoubtedly one of the major factors that we have to consider.
475. It is also worth saying that both the First Minister and deputy First Minister have been lobbying Westminster on that matter. We have been writing to them and briefing them on it, and the value to us is very clear. The need to apply whatever pressure we can to the Westminster Government to get that kind of a tax credit for high-end drama is also very clear, and Ministers have been working hard on that.
476. **Mr Williams:** You asked some pertinent questions about the creative industries in your report. There is no silver bullet to

- fix any problem, but we responded that a tax credit is as close as you are going to get to one. It is extremely important for us because we are growing the sector at an impressive rate, but, if we want to keep growing it and retain 'Game of Thrones' and attract similar projects in the future, we will need tax credits. The curve will at least slacken, if not worsen, if we cannot achieve that.
477. We mentioned other things in our written report, and one that I would focus on is development funding. 'Game of Thrones' and similar projects are tremendous for infrastructure; new sound stages are being built at the Titanic Quarter as a consequence of 'Game of Thrones'. They are tremendous for job creation, but they cannot be the sole diet of the creative industries here. For a whole range of reasons, we must also have local producers supporting local writers supporting local directors to express every type of story from here. If we want to support that, the most important element has to be development funding, and, within that funding, there must be the opportunity to fail. We have been supported reasonably well, primarily through Invest Northern Ireland but also through lottery funding from the Arts Council, to provide development funding. There is also the creative industries innovation fund, which is currently administered by the Arts Council. That type of funding is absolutely key. You cannot grow trees if you do not plant acorns.
478. This is a repeating theme that probably comes up in every Committee and on every subject, but one of the key messages that I present to the Committee is that there is too much bureaucracy around development funding. There is too immediate a need for it to succeed. Development funding, by its very nature, is risk funding, and you have to allow projects to fail for them to ultimately succeed. There is a need to prioritise development funding and — this is always difficult — to have a fairly aggressive meritocracy around that development funding that allows the many other legitimate concerns to be prioritised at a lesser level. In other words, there is a need to back the projects that are simply thought to be the best projects, as opposed to projects that may deliver across a whole range of other issues, including geographical spread and a range of other reasons.
479. **Mr Hill:** We have been doing quite well recently.
480. **Mr Williams:** On geographical spread?
481. **Mr Hill:** No, on backing winners. We have to mention Terry George's Oscar. I am sure that you were wondering how long it would take us to get there, but that is the icing on the cake. If you look behind that, you can see that there are British Academy of Film and Television Arts (BAFTA) awards, Irish Film & Television Academy (IFTA) awards and the Camera d'Or at Cannes. We have selected incoming projects that are strong, and an example of one of the development projects that has gone forward is a film called 'Good Vibrations', which you should get to see later this year. It involves local writers, directors and producers. It has gone through our development programme, and we assisted them and introduced them to people who helped to finance the film. We look forward to seeing it in early summer or late spring. That is an example of a local project that has been identified as strong, and we will see what the critics make of it when it hits the screens.
482. **The Chairperson:** You are looking for another Oscar then?
483. **Mr Hill:** We are always looking for another award, but, better than that, I know that the Executive are looking beyond the awards to the projects that are two and three years down the road. For example, 'Good Vibrations' came into us for development about four or five years ago, and it has taken about that long to get from that initial great idea to a cinematic release. So, the timescales are long, and sometimes the expectation is that they will be a bit shorter. People may have a great idea, but it can take them a long time to

- persuade external funders to back it. I have digressed, but I have given you an example of a real project that is really from here.
484. **Mr Williams:** ‘The Shore’ is also a very good example of that. We did not break any rules, but we had to stretch and bend them a little bit to support ‘The Shore’. However, with the benefit of hindsight and with an Oscar in Oorlagh’s pocket and one in Terry’s pocket, the value is very obvious. To be honest, if we were a different organisation, we might not have backed ‘The Shore’, because it would not have fitted comfortably within our mechanisms, and there is tremendous pressure to stick to those mechanisms. Yes, we need very robust frameworks, but we have to back the right projects, and ‘The Shore’ was clearly the right project to back. It is comfortable and easy to say that now. At the time, it was a little bit difficult.
485. **The Chairperson:** Is that one of your risk funding examples?
486. **Mr Williams:** Absolutely. We need to avoid a situation where you construct the rules and regulations so tightly that every time you see something that looks good, for some unintended reason, it sits outside your rules.
487. The other issue that I would stress is that you have picked a very large, wide-ranging topic that has many elements. Weaving digital technologies, creativity, creative skills, celebration of culture, film-making and web development into the curriculum and injecting them into schools will have enormous benefit in years to come. We are very proud, possibly most proud, of our support of moving image arts as a subject and the creative learning centres. If this inquiry is a holistic piece of work, which it clearly intends to be, it cannot be blind to the importance of schools, teachers and education. We must give schools and teachers the tools that allow them to release creativity and really develop skills, because that is the biggest strength of the creative industries. It does not matter whether those skills are eventually used to make an Oscar-winning film or to allow someone to become a better businessman, doctor, landscape gardener or whatever: they are life skills, and they are very important. They should be prioritised in your focus, and, in that regard, I want to say that creative learning centres are a tremendous resource and have been very well supported by DCAL over a long number of years. They should be supported much better and at least have a funding stream from the Department of Education, which is the Department with primary responsibility for education.
488. **Mr D Bradley:** The Department for Employment and Learning (DEL) has responsibility for the regional colleges.
489. **Mr Williams:** We wait with interest to see how DEL’s functions will be redistributed; presumably they will be split between the Department of Education and the Department of Enterprise, Trade and Investment (DETI). We see a small opportunity in that to push these issues.
490. **Mr Hill:** We have presented you with our written document. We are back telling you some of the same stories but with more awards. Obviously, we are here to respond to any questions that you have about our written evidence or to respond on a wider basis.
491. **The Chairperson:** A common theme in all the discussions that we have had with you is the fragmented nature of the support, the bureaucracy that you find yourselves involved in and the fact that your funding comes from various streams. What would be the most straightforward and effective way in which funding and support could be managed for you?
492. **Mr Hill:** I am effectively reporting to two Ministers. Some of our funding comes from DETI, yet Carál Ní Chuilín is the Minister to whom I am accountable. I do not want you to take any negativity from this, because the relationships that we have with a lot of these people are very good, but there are just too many. If I could have one Minister, one Department and one funding stream,

- that would be the Holy Grail as far as my role as chair is concerned.
493. Obviously, the chief executive has to respond to a plethora of audit requests, not all of which are similar. There is an auditor's desk in Northern Ireland Screen. Inevitably, there is always somebody auditing something because of our various funders' needs and requirements, which are real. We aim to assist them in meeting those needs, but there are just too many of them, and too much of my chief executive's time is taken up with meeting those needs and dealing with the inward-facing aspects of what we do. Clearly, both he and the executive team are doing some very good outward-facing work and have delivered on it. My plea is that we reduce that and allow them to do more.
494. **Mr Williams:** I echo that. The money always comes from multiple Departments, but, prior to that, it all comes from the same place. I do not see why it cannot come through one stream. We could report through one connected accountability mechanism. I echo what my chairperson has said. We pride ourselves on being an active organisation. We do not see ourselves as a grant-making organisation. We do not want to be sitting in our office ensuring that our governance is right and that we are using the right mechanisms to give out money; we are out there trying to assist the companies involved to put projects together and to finance projects. We are out in the global marketplace trying to attract people in. It is a simple see-saw; if we are spending too much time responding to multiple governance arrangements, we are not spending time doing what we perceive to be the real job.
495. **Mr Hill:** The board wants the governance to be right, but we do not want our executives spending all their time servicing the governance machine. The Executive clearly expect us to go out and promote Northern Ireland as a place to come and do business, and we have been doing that. This is a polite plea; if the process could be rationalised and streamlined, it might allow Richard, Andrew and Moyra from our office to do more of that. If we have tax breaks on top of that, we can make what we have go even further. It is about how we get to the next level. We have collected a raft of awards and we have brought in a whole load of inward investment. What would it take to up our game? Those are some of the things that I think would help.
496. **Mr Ó hOisín:** I declare an interest as I have been involved in the Irish Language Broadcast Fund through the years, since it was founded. I also want to pay tribute to Terry and Oorlagh George for the success of 'The Shore', and if her sister does not mind, to my friend Cathy Mooney, who was production manager on the film.
497. Surely the Irish Language Broadcast Fund was an example of best practice as regards delivery on an all-island basis? In real terms, when we look at television and film production on the island, we see that the South is still well ahead of the North in respect of production, expertise, skill and the historical record of film and television production. I am thinking particularly of the film studios in Wicklow, where there is a whole tourist trail based on the production of film there since the 1930s. Richard, you said that the tax relief was a bit of a red herring. That certainly might be true at the upper end of the market. However, surely it would be quite important for local indigenous producers on the island of Ireland. Is the way in which the Irish Language Broadcast Fund has succeeded with quite limited resources not an example of best practice across the board? Although we can buy into production methodology in Britain and, indeed, across Europe and elsewhere, we have a product on the island of Ireland that would benefit those right across our creative industries, keep people involved and ensure that the industries grow organically upwards rather than downwards from elsewhere.
498. **Mr Williams:** I certainly agree with you that the Irish Language Broadcast Fund is a good model. In respect of the Irish Language Broadcast Fund's ambition,

- we have been extremely well served by TG4, which is the broadcast partner for a very large percentage of its activity. If we could get section 41, which is the name of the tax credit in the Republic of Ireland, applied to the whole of Ireland, I would be very happy. That is not because of the differential between 20% and 28% but because it would extend to include all television drama; animation, which would be superb, children's drama and whatever. From my point of view, that would be a perfectly satisfactory, exciting solution. However, I am not aware of a mechanism that would allow that to happen at present.
499. I do not disagree with anything that you said about the heritage of the film and television industry in the South of Ireland, particularly around Wicklow. We are in friendly competition with our southern colleagues in the industry, and they look at us very jealously at the moment. They do not see the situation in the same way as you characterised it. They see our industry dynamically grasping more of the marketplace and theirs plateauing, because they have not had big film productions of late. The truth is somewhere in between. They have a very mature, dynamic sector, and I would not say otherwise, but they look enviously at our success.
500. **Mr Hill:** The red herring is increasing the tax credit for film only, which will continue to deliver film only. The obvious game changer for us would be if that were extended to high-end TV drama. I am not talking about the weather or 'Coronation Street'. I am talking about really big spend projects. So, an extra 5% could be added on to the film tax credit, and film will continue to be delivered. However, we are asking for something much broader. We have great children's TV production companies in Northern Ireland such as Sixteen South, which is making programmes for Sprout, one of the biggest channels in the USA, and is working with The Jim Henson Company. It is exploiting great opportunities. How can we help it to continue to grow and develop?
501. **Mr D Bradley:** Good morning. The last time you were here, you raised that point about the amount of bureaucracy involved in monitoring or accounting for the spend of the resources that you get. So the situation has not changed in the meantime. Maybe that is something that the Committee could look to ameliorate.
502. Your paper states:
"The triangular relationship between the government, industry and academia does not function in the best interests of the screen industries."
503. You also mentioned funding. You obviously think that not enough funding is available to oil the wheels of that relationship. Are you also saying that the universities and colleges are focusing too much on the academic side of film studies and not enough on the vocational side?
504. **Mr Williams:** I do not know that I was saying that, but I completely agree with it. What I was primarily talking about was that, for five or six years, we have been involved in an exciting initiative to develop a screen academy here. That screen academy was a partnership between the University of Ulster, the North West Regional College and Belfast Met. Those are the present partners. However, what I was very conscious of, and what weakened it greatly, was that the government funding was coming through DEL. We were really selling it to the universities that, because the academy was Skillset-supported and industry-supported, government would look kindly on it. That was the model that government wanted. It was a more vocational model that was more focused on skills. The truth, however, was that, over those five or six years, the partnership of those institutions developed the model but did not attract any government funding. In my opinion, that was because government funding is more of an oil tanker than a speedboat. The processes around it and the mechanisms that drive the funding were just not aligned to that. If they could be aligned, we could move a lot faster. It is not about undermining the

- academic rigour of courses. “Academic” just means questioning and thinking. We just want the colleges and universities to teach the skills. There is no reason why teaching people skills means that something is less academic.
505. The industry here generally thinks that the colleges and universities are more open. They are beginning to think in that way. Money drives everything, and, if we could get a government funding mechanism running in the same direction, we could move a lot faster.
506. **Mr D Bradley:** If extra funding were available, what would it be used for specifically?
507. **Mr Williams:** It takes colleges and universities quite a long time to design their courses. A fair amount would be spent on redesigning their courses.
508. **Mr D Bradley:** Are you saying with a greater emphasis on the applied element?
509. **Mr Williams:** Yes, absolutely, and with a much greater input. The big difference between American universities and universities here is that, in American institutions, the best film director comes in once a month and teaches the best students. That does not happen here. We do not have that tradition or those mechanisms to the same extent. However, we could have, and the screen academy was about that. It was about bringing the business closer to the education institutions and getting them into a much deeper and more regular dialogue.
510. There are examples of good practice. The University of Ulster is doing good work with Greg Maguire, who used to work for DreamWorks, and is now running courses. There is good practice, and we need to grow that good practice and do a lot more of it.
511. **Mr D Bradley:** I see that you have given us a hint in your paper. When you said “local government”, presumably you meant the Assembly?
512. **Mr Williams:** Yes.
513. **Mr D Bradley:** You said that we could do more to move the BBC along a bit more quickly than it is currently moving. You also said that the BBC has devolved more programme-making to Scotland and Wales but that the same progress has not been made here.
514. **Mr Hill:** I have told the chairman of the BBC Trust that it has lacked a big idea for Northern Ireland. When you look at what has happened in Cardiff, Pacific Quay in Glasgow and Salford in Manchester, you can see that capital spend and programming have been put into those locations. The BBC has a commitment to produce 3% of network programmes here by 2015. We would like to see that greatly accelerated. If BBC Northern Ireland could be encouraged to find a big idea and to relocate to Titanic Quarter beside the Paint Hall and the college to create a creative cluster, that would be helpful. I am sure that the Assembly has a part to play in reminding the BBC that we have an ongoing interest in network programming from here. We have seen an increase, but we want to see more. We need to remind the trust that it really ought to find a big idea for here in the way that it has for Cardiff, Manchester and Glasgow.
515. **Mr Williams:** If you were to go looking, you would find plenty of evidence in Hansard to show that, in Scotland and Wales, there has been a bigger focus on looking at what you are looking at now — the creative industries and, particularly, broadcasting. I believe that Scotland and Wales have a more developed dialogue with the BBC on the importance of what they do, not just in respect of news reporting, but in respect of cultural, economic and job creation value.
516. **Mr D Bradley:** This is an important point about the BBC’s 3% programming target: why has it not moved on it as quickly as you would have liked it to? Is the problem in London or in Belfast, or is it a combination of both?
517. **Mr Williams:** The biggest problem has been in London. Broadcasters generally have become very London-centric. You

can see that on television, and we are very conscious of it as viewers. That has been the biggest problem. I could take the conversation full circle. For a time, BBC Northern Ireland had a very vibrant drama department that made a lot of programmes, the most memorable being 'Ballykissangel'. However, the vast majority of that job creation value went to Wicklow because of the tax credit.

518. As far as I am concerned, the problem has largely been a lack of belief that it was sufficiently important that the BBC delivered for Northern Ireland. If the BBC wants to make 3% of programmes in Northern Ireland, it can do so tomorrow. It is just a question of how much it prioritises that over the 100 other things that it is worrying about. That has been the primary issue. The good news is that, after many years, we are seeing very positive movement on that. The BBC has commissioned a network drama set in Northern Ireland, and pre-production is under way at the moment. That will be the first for at least a decade.

519. **Mr Hill:** It is worth pointing out that, at the Belfast Media Festival, which is now becoming an event for the sector, there was a seminar entitled "The secret of our success". I listened to a number of independent production companies and one producer, who is now world-renowned, talking about what has been successful for them. They have been successful by selling outside the UK to America and by selling globally. They did that because they were finding it so difficult to attract any network commissions from the BBC. Therefore, in the past, the secret of their success seems to have meant having to go and sell elsewhere. They should be able to do that and work with the BBC, and perhaps we are seeing the shoots of something new happening through some network dramas that have been commissioned. It would be helpful if our politicians could continue to show the interest that they have shown in this. Producing more programmes may be linked to the interest that they are showing.

520. **Mr McMullan:** You made an interesting point that, because of the number of funding agencies, people look inwards

and become reliant on funding rather than looking outward to the international market. What is the thinking behind that, and can you provide an example of that? It would be naive of us to think that the BBC or UTV is not taking advantage of the tax incentives in the South of Ireland and making programmes there and bringing them back here. It would make sense in the long run to have some sort of conformity in that, because I can see your point. I counted more than 30 funding agencies mentioned in your paper, and, according to it, that is only the tip of the iceberg. What is your thinking behind your point about inward thinking not outward thinking? Are you saying that there should be less funding or more competitive funding?

521. **Mr Williams:** I am not saying that there should be less funding. I am saying that the funding should be tidied up and the administration of the funding should be made cheaper. When I was first involved with Northern Ireland Screen, we were really the only body working in this area. At that time, which was quite a while ago, there was not tremendous belief that it could be a growth area. One of the consequences of the success of the sector is that it has become more interesting and that more organisations have come into being and got involved. My view is that that is simply inefficient. It is better for producers to know that there is one place that represents public support for them in any given area. That does not mean cutting the amount of support; it means cutting the time that it takes for them to work out where all the support is. Rather than having a patchwork quilt of support for any given project, we could have it all come through the one place and save time and money on administering it. We should ensure that it is all consistent with a growth strategy that is about getting our best and brightest out into a global marketplace where they can compete, because they can compete.

522. There is no doubt that we have a complicated public sector. There are lots of places where a producer could at least go and ask whether they could

- get support. Of course BBC and ITV will avail themselves of tax credits in the South, if those are there. Similarly, if a producer here thinks that they might be able to get support from 10 different places, they will go and ask them all. I am generalising, but the tendency is for a lot of that to be pretty complicated. A lot of those discussions may not necessarily be to the real benefit of the producer and may distract the producer from the original purpose, which is to develop the idea and go out and sell it.
523. **Mr Hill:** My point about the inward-looking aspect is that, as chief executive, Richard has to have conversations with DCMS in relation to the Irish language and Ulster Scots; the British Film Institute (BFI); Invest NI in relation to another tranche of funding: the Arts Council, because the lottery funding comes via the Arts Council; and DCAL, because it is our core funder. Instead of having one conversation with one sponsor Department and one field of accountability, he has five or six conversations. Instead of having six conversations, I would try to have one, if possible. A lot of time is spent on that, and that is how it is. Perhaps we just have to live with that, if no one can do anything better to rationalise the funding and that is how it has to be in order to deliver, and deliver superbly. However, it would be smarter if it could be rationalised and we had one sponsor Department and one stream of funding and accountability.
524. **Mr Williams:** None of this is about Northern Ireland Screen. It is about the sector and the people in the sector. Too much of the policy discussion takes place in the public sector. If this Committee were to create a workshop to discuss the development of this area tomorrow, there would be more public sector people than private sector people at the meeting, by a ratio of probably 3:1 or 4:1. That cannot be right, and it is not healthy for the development of the sector. Therefore, in a way, we need to get ownership. The development of the sector needs to be primarily with producers and companies that are working in the area. The fragmentation of funding and whatever else just makes that worse.
525. I am not at all saying that there should be less money. However, let us make government's money easier to understand and avail ourselves of. Let us be more willing to take risks with the same interest in the results, ideally with bigger interest in the results. Let us be simpler and more efficient so that we do not crowd out the private sector.
526. **Mr McMullan:** It would be interesting to see your breakdown of that on paper, because that would be your blueprint or plan. It would be extremely helpful if we had that, given what you have said. Hearing from people at the coalface about how they think it should or would work can be a great benefit to those who are trying to make it work or look for a solution.
527. **The Chairperson:** Gentlemen, thanks again for the presentation.
528. **Mr D Bradley:** If you do not mind, I will ask one more question. There was a conference on venture capital here yesterday. I heard on a radio piece that 'The Shore' was financed in that way. How big an element is that in the industry? Should it be developed further?
529. **Mr Williams:** Yes, it should absolutely be developed. I wrote a piece for the 'Belfast Telegraph' the other day — I am not sure when it will go out — highlighting Lough Shore Investment's involvement in 'The Shore'. I made the point that I hoped that others would follow Danny Moore and Stevie Morrow's lead. There are new mechanisms. A new seed enterprise investment scheme is to be launched in April, the start of the new financial year, which may provide opportunity and help in respect of development funding.
530. If we are going to grow the sector here, I do not see any scenario in which public funding can lessen. However, I see a scenario in which private funding grows and the overall results grow exponentially. So, yes, that is a very important issue. The Halo group at the

Science Park has been very welcoming to our sector in that regard. It is about finding the mechanisms to allow private investors to invest. It has been helpful in beginning to tease out how that might work.

531. **The Chairperson:** Take two: Richard, thank you very much.

15 March 2012

Members present for all or part of the proceedings:

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

Witnesses:

Ms Francesca Biondi	<i>Community Arts Partnership</i>
Mr Stephen Stewart	<i>Green Inc Film and Television</i>
Mr Willie Drennan	<i>The Ulster Folk</i>
Dr Colm Murphy	<i>University of Ulster</i>

532. **Mr Willie Drennan (The Ulster Folk):**

I am not too sure how I got roped into this. It is because I came in late, I suppose. I will do my best, and I will keep it brief; how does that sound?

533. The potential of the creative industries in Northern Ireland cannot be overestimated. I think that it is fair to say that for everybody. At this time, with our economic situation, the development of the creative industries is crucial, and I hope that the Government understands the potential there.

534. The second term of reference is to identify the key challenges currently facing the sector. I think that we are all agreed that there is a lack of funding and a great concern that the funding will be drastically cut. There was a bit of a debate here, because we are all from different sectors, about how that should manifest and what the priorities are. There was a bit of a debate about the idea of a hub or centre of excellence, as opposed to individual artists on the ground, through which everything could transmit out. We came to a consensus that there can be great value in something like the Metropolitan Arts Centre (MAC), for instance, if it is working with the community and there is consciousness of that. There also needs

to be a balance of funding going through the hub so that the individual artists on the ground or the small entrepreneurs are not negatively affected.

535. The third term of reference is about investigating whether gaps exist in current policies. Certainly, there was a feeling that we are at a disadvantage in Northern Ireland as far as tax credits go. There should be financial incentives for research and development. There was general agreement that there needs to be investment in education and an awareness that, through research and development, there is great potential a few years down the road for our young people to make a career within the creative industries. A strategy needs to be put in place to that effect.

536. There seems to be a lack of incentives — such as tax credits — for the creative arts here in Northern Ireland when compared with the South or other parts of the UK. Someone brought up the point that VAT is not included on tickets for venues down South. I am not too sure whether we confirmed the effect of that, but those are the sorts of incentives that we would like the Government to consider.

537. I suppose that I have already covered the fourth term of reference about comparing policies and strategies in Northern Ireland with other UK regions.

538. The fifth term of reference is about examining the extent and effectiveness of the collaboration and co-ordination between the industry and others. That is something that we all felt strongly is greatly lacking. To have more opportunity for networking and the opportunity to work in cross-genre, multimedia forms is essential here. To have the creative industries working outside the arts — working with entrepreneurs, science and other fields of industry — is very important as well. In other words,

- collaboration is crucial, and we hope that it could be considered as part of a strategy.
539. The sixth term of reference is about considering the creative industries at sub-sector level in respect of any funding and support available. This is where the idea of prioritising comes in, and that generated a fair bit of debate. There is a concern among some of us that prioritising could mean that there could be a form of elitism, which could be detrimental to certain artists in the field. My way of thinking is that it depends on whether you are prioritising different sectors or prioritising strategies. I think that it all goes back to the fact that there needs to be a strategy. My personal point, which I think that most people seemed to take on board, is that there is far too much bureaucracy and that more incentives need to be given to the private sector and more responsibility needs to be put on that sector so that we can cope with the changes in our funding.
540. **Mr Stephen Stewart (Green Inc Film and Television):** I hope that I can remember all this, because there was quite a heated debate here, which was good.
541. Fundamentally, we are all agreed that there is huge potential here and that it needs more support. The big debate at the table was on whether it should be commercially driven support or pure artistically driven support. I think that the conclusion was that we need to separate the two but that both are equally important. It is really important that we support the cultural side, the pure artistic side and everything else, but it is also really important that we drive the economy and allow it to help all the other sectors.
542. I will go through the various points, and I am trying to decipher my notes. We decided that, in order to work out the potential, some sort of economic measurement needs to be done so that the Government can then prioritise what is commercial. There is clearly some commercial benefit to be had from the pure artistic side through festivals, support or big events. Again, there was a big debate at the table about whether the pure arts is too Belfast-centric, because there is clearly potential outside Belfast as well.
543. Key challenges are really much the same. The point was made that pure arts should not shy away from economic value. There is a culture of pure artistic people not wanting anything to do with anything that is in any way commercial. That would be helped if they did not shy away. Some of the challenges were that people who are involved in the arts at a real grass roots level did not have any entrepreneurial skills. There should maybe be some sort of training so that, if they choose to become commercially minded, they have the skills to do it, but they should not necessarily be forced to become commercial. One of the challenges raised was that there does not seem to be joined-up thinking, even at a council level, for example, from different Departments. In order to grow the arts sector, you need the travel sector to work well and so on, and those things do not seem to be joined-up enough.
544. Do gaps exist in the support? I think that we all agreed that tax credits to attract artists would help. They clearly work. Again, as I said, entrepreneurial skills as part of a university course would help. One of the other things put forward was that it is worth recognising the freelance nature of the industry. Government tends to be driven by people who work on a pay-as-you-earn (PAYE) basis and have jobs for life or a job for a year, whereas we recognise that people in the creative industry tend to have project-based work, so it could be six weeks of work or six months of work. Support should not always just be given for jobs that are going to become PAYE. I think that everybody at the table thought that there should be easier access to funding. It is just too bureaucratic. Some people at the table declared that they did not go after funding because it was just not worth the effort. That clearly should be addressed, because the funding is there to be used.
545. Comparing UK policies, overall, we felt that we should promote the package

- of Northern Ireland, which includes everything, be it the Titanic — we had a big debate about the Titanic — arts, music, or the Giant's Causeway. That created debate about whether it should be all-Ireland, because the outside world sees us as Ireland, comes to Ireland and does not differentiate between the two countries.
546. One other point put forward was that Scotland is far better than us about beating the drum about itself. Clearly, they have had many years to create that situation and build a tourist industry, but we felt that our politicians need to get in, be it to London or Europe, and beat the drum of Northern Ireland and the potential that exists here. We are a highly educated, English-speaking and very creative country.
547. As regards the point about government, industry and academia, more connection is needed to consolidate, because the various sectors do not know what the others do. In my own industry, the television industry, we only began to meet up with people from the other digital sectors about a year ago, and everything is joined-up now.
548. In the area of funding and prioritising, the issue that came up was the administration being too heavy. It is fair to say that we decided that prioritising exports was probably a way to go. Northern Ireland needs to look to the outside world, because that is how we are going to grow in the way that other countries, such as Scotland, do. To do that, we could prioritise exports. Those exports might include an arts festival or some other sort of festival that is being done here or they may be on a digital, film or television level. That is how we are going to grow.
549. **Ms Francesca Biondi (Community Arts Partnership):** Stephen was saying how important it is to have a holistic approach to support the whole creative sector. There is a need to recognise that there are different sub-sectors with different realities and needs. However, there should be a holistic approach. I want to mention how community arts can play a big part in nurturing talent here. We have talented artists who will decide to have a career in the creative industries or the different sub-sectors. Community arts is really important in supporting talent in Northern Ireland through informal partners.
550. **Dr Colm Murphy (University of Ulster):** I will whiz through these, because we also made some of the points that were made at the other tables.
551. In answer to question one about the potential of the creative industries, we agreed that there is huge potential. There is a huge amount of creativity here in Northern Ireland, but there is not enough recognition of that, both on a commercial basis or in society recognising the craftsperson or artist as having a strong or important role. That is something that could be reinforced by policy.
552. A lot of people in the business are self-employed and have to do everything in what are almost like one-person industries. Again, there needs to be recognition of that. Sometimes in the formal structure of how the sector is recognised, a lot of grants and so forth are built around people who are involved in limited companies or bigger operations. The self-employed just do not have that scale, and that has to be recognised.
553. We identified three different potentials, all of which need to be addressed separately in policy. First, from the point of view of developing and promoting tourism, we talked about how successful craft trails have been elsewhere and the idea of introducing more of them here. Secondly, in regards to exports, we were all agreed that the indigenous market for our crafts and creative industries is just too small and is already saturated. In addition, the point is that, locally, people do not necessarily put a premium price on creative products, whereas, internationally, other markets do. That is another incentive for going out and reaching into those export markets.

554. With regards to the indigenous market, people felt that it is too small for the sector itself, but there is potential for growth there as well, which should not be underestimated. To develop for the export market, you would need to develop the indigenous market first and to build up your experience there. To develop the export market, sales teams are needed to go out and sell, because the people creating the creative produce or service do not necessarily have the time or the expertise or skills base to do it. Again, if there was assistance for them with direct sales, it would be very helpful. We had a discussion about branding and about how other sectors do that, such as with the Kilkenny brand and so forth. We discussed the merits of doing that and of putting networks of people together.
555. That sums up our discussion of point 1 about potential. Some of our discussions overlapped the different points, so I will try to condense them.
556. Point 2 was about the key challenges that face the sector. As I said, because the local market is too small, it must be export-driven. There is a lack of investment in world-standard skills. In the craft industries in particular, it takes almost a lifetime to build up the skills that are required, and sometimes that is not recognised in policy. Skills need to be constantly updated, and that is not funded, nor is it recognised that that is a very important part of the creative industries.
557. There is a lack of global ambition to go out and do things, and there is a lack of resources and expertise in marketing to support that. The point was also made that we need to stop the sector from being too Belfast-centric. There was criticism that a lot of the agencies, because they are based in Belfast, seem to have a Belfast-centric approach to developing the sector, and much of the sector that exists outside Belfast feels that it is being excluded from development.
558. Point 3 was about the gaps in policy. Again, we identified the lack of training and upskilling and the importance of developing skills, not only craft skills but the types of skills linked to marketing and branding. The second gap is in microfinance. Again, the consensus around the table was that people in the creative industries do not want to become what we call “grant entrepreneurs”. They do not want to be chasing grants all the time. They want to develop as craft businesses. However, we said that there was a need for what we class as seed financing to develop sales and so forth. That has been missing due to people falling underneath the thresholds that are required by Invest Northern Ireland because they operate on too small a scale. Furthermore, some of the grants that were available were for the wrong type of thing; they might have been for leadership development or management development or whatever, whereas what people needed was grant aid to develop craft skills or seed funding to develop sales skills or to employ a direct sales team. Such funding was not available. There seems to be a gap in provision in that regard. We spoke about how difficult it is for some of the crafts people to develop their skills in the first instance and that they have to invest in going to workshops in London and that kind of thing. The geographical position of Northern Ireland is a factor.
559. Point 4 was about analysis of policy elsewhere. We took a quick look at that, and we felt that Scotland seems to have extremely good policies for the development of the sector. The Republic of Ireland has policies that could be used here or adapted and learned from.
560. Point 5 was about collaboration. There was a consensus around the table that there was not only very little cohesion between funders but between individuals in the sector. The point was made that people sometimes had an attitude that they were in silos and did not necessarily always want to share information with what they would consider as rivals. If the sector were to grow internationally, they would have to get out of those silos.

561. People praised the Arts Council and said that it had some very good programmes, particularly now that some of the funding is being given on a three-year plan, which people felt was a much better way of doing it. However, there was a feeling that there was duplication between the agencies and that the need for more joined-up thinking could be looked at.
562. Point 6 was about prioritising particular sectors. Again, there were mixed views on that. I think that, in general, we felt that, yes, there probably was a need for prioritisation if there were a couple of sectors that needed a huge amount of investment. However, that had to be balanced with continuing to support the smaller people, because you never know where the good sectors will come from or the sectors that are going to grow. Therefore, you have to get the balance right between the two things. That is, I think, a fair summary. Thank you.

22 March 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
 Mrs Karen McKeivitt
 Mr Oliver McMullan
 Mr Robin Swann

Witnesses:

Mr Matt Johnston *Digital Circle*
 Ms Mary McKenna
 Dr Ian Graham *Momentum*

563. **The Chairperson:** I welcome Mr Matt Johnston, collaborative network facilitator; Ms Mary McKenna, director of Learning Pool; and Dr Ian Graham, chief executive officer of Momentum. Good morning. Thank you for attending and for your written submission. Perhaps you would like to make an introductory statement. The Committee will then follow that up with questions.
564. **Mr Matt Johnston (Digital Circle):** Digital Circle is the project that I work for. I am employed by Momentum, the ICT Federation for Northern Ireland. Collectively, we represent more than 350 companies in Northern Ireland, which range from huge multinationals, such as Citigroup and Allstate, to small, one-man companies that essentially work out of people's bedrooms. So it is the full gamut.
565. Digital Circle/Momentum represents software and digital content companies. That includes companies that work in insurance software, web design, mobile app development, games development, e-learning, film, television, radio, animation and post-production. We also lay a little claim to fashion, jewellery design and architecture, because, in many cases, the production of such assets is digital at first.
566. We believe that the digital content industry in Northern Ireland represents an immense opportunity for Northern Ireland's economy. Skillset estimates that, in the next five years, software and digital content will be responsible for 9,000 jobs. In the past four years alone, the app economy, which is just mobile development and games, has been responsible for 500,000 jobs in the United States. Through a simple scaling down of that figure, our guess is that that would have led to 2,500 jobs in Northern Ireland. We believe that due to a lack of support, the app economy may have been responsible for 100 jobs. We see that as an immense opportunity cost. We are here to give evidence to see whether there is anything that the Committee can do to help us on that.
567. We are very interested in the inquiry and spent a lot of time consulting our members to make sure that all the evidence was presented.
568. **The Chairperson:** Thank you. You referred to challenges, particularly around the respective skills and training. Your paper quotes a company saying:
- "None of the universities or colleges provide programmers with a skillset that we find immediately employable."*
569. You also talked about issues with Queen's University. Will you elaborate on that and on what your sector is doing to address issues around the lack of skills? Are you doing your own training?
570. **Mr Johnston:** According to data that I got from the University of Ulster just last month, there are, apparently, 650 vacancies in software engineering with large companies and a large number of vacancies in software engineering and mobile and web development in smaller companies that do not use recruitment agencies. Our universities are currently training 300 graduates a year in software engineering, which is

- fewer than the number in the industry who retire or die. That is a morbid figure, but the gap that we are seeing will just increase. Not only are we not training enough people with the right skills but we are just not training enough.
571. **Ms Mary McKenna (Digital Circle):** I run a small business in the north-west of Northern Ireland, and we have had vacancies for software developers in our company for about 18 months. We just cannot find any people at all. Our company is five years old, and we have grown to 50 people and a £3 million turnover in those five years. Our company would probably be twice that size and have twice that many jobs if we had been able to recruit more people in Northern Ireland. The skills issue is a real constraining factor for business people trying to start businesses in Northern Ireland.
572. **Dr Ian Graham (Momentum):** We have engaged with e-skills UK in working with the Department for Employment and Learning (DEL) — well, for as long as it is around. I must say that Stephen Farry has given a lot of support to recognising the issue. An entire board is now looking at actions that can help to redress the balance and to encourage more young people to study for a career in software development.
573. Actions are under way, but we need as much support as we can get. We see this as a huge opportunity. It is very much a skills-based activity. You do not buy a new machine to double production; you need more skilled people. It is about employment, and, although action is being taken, we need to redouble our efforts to grasp the huge opportunity that is out there.
574. **The Chairperson:** You mentioned difficulties that you were having in engaging with Queen's. Has that changed with the creation of its facility of creative arts?
575. **Mr Johnston:** No. We talked to Michael Alcorn and his team when he was in the Sonic Arts Research Centre (SARC). The creative arts faculty, though, is quite new, so things have not really changed there, but we expect that to change because it is new to Queen's and they will be looking to catch up. There are other areas outside of there where Queen's is very much an institution onto itself. I am an ex-graduate of Queen's, and I am surprised at how difficult it is to get inside their hallowed halls. We find the University of Ulster an awful lot more approachable. That is not necessarily down to the institution; sometimes it is down to individuals.
576. **The Chairperson:** There was positive news yesterday when video games were highlighted as having been on the right side of the Budget. How important is that to your industry?
577. **Mr Johnston:** Although I welcome change in the Budget, I honestly believe that it will have no effect on the Northern Ireland industry. It is R&D tax credits, which means that, although you can be pre-revenue, you still have to have liquidity and to be able to invest heavily. That means that you have to have money.
578. **Ms McKenna:** You have to pay tax.
579. **Mr Johnston:** Yes, you have to be paying tax. Somebody has to be paying tax somewhere. The problem that most of our companies have is that they are very small. A lot of the businesses are being started up by people who have full-time jobs in companies such as Allstate or Singularity in an effort to be entrepreneurial, so they are working out of their bedrooms in the evenings after they put the kids to bed. They are not paying tax on that work because no money is changing hands. They are just trying to start something in their spare time and they cannot get finance to break out on their own or to hire somebody to do something. With the exception of the Department's creative industries innovation fund (CIIF), there is no way for those companies to start up.
580. Not paying tax or getting tax credit is fantastic when you are in that position. However, most of our companies would need a substantial change to be in the

- position where that would even be a likelihood. I do not think that most of them would pay the accountants' fees to enable them to get to that position. It is a long way off.
581. **The Chairperson:** In your paper, you were very positive about CIIF funding as a catalyst. Can you give any other suggestions on assistance that could be given to your sector?
582. **Mr Johnston:** CIIF is a great fund. I believe that it is potentially the best fund in Europe for start-up businesses, and we have looked at most of them. As regards the scale and timing of it, once a year, it involves an onerous amount of paperwork. However, it enables some businesses to start. It enabled 17 games companies to start in Northern Ireland, based on small teams that were then able to hire in the expertise that they required to make the games. That is fantastic.
583. I am a little bit concerned that digital is, essentially, stealing from the mouths of artists, sculptors and the traditional crafts and arts industry. I have suggested to NI Screen that we talk to it about its digital media fund, which, in the past, has not been used for the purpose that we think that it should have been used for. We think that that would effectively double the amount of money that is given to creative businesses, while, at the same time, allowing creative businesses outside digital to flourish.
584. **Mr D Bradley:** Good morning. You mentioned the apps industry and the number of jobs that have been created in America. How many did you say there were?
585. **Mr Johnston:** Half a million.
586. **Mr D Bradley:** That is, obviously, a huge number. To what extent is Northern Ireland capitalising on that new stream at the moment? Is there potential for future development?
587. **Mr Johnston:** We have a very active service-based economy. We are still not at the scale that we should be for the size of our population. That is mostly a skills issue. Our small companies simply cannot find people with the skills to be able to hire them. Because of liquidity, they cannot afford to train them. They are expecting graduates to come out of university. There is a growth issue there.
588. The service business is also a little bit short-sighted. We spend a lot of time encouraging our members to be working to a situation in which they are making money while they sleep, instead of working on a per-hour rate. That means going for global products that can be put onto app stores. You can make sales 24 hours a day in all regions of the world. Most of our companies are involved in service-based business, because of the need to bootstrap and the lack of capital, and are able to charge for only eight hours a day. They are charging an hourly rate and are being very competitive with one another. They are building brochure apps for local companies. That is not necessarily the best use of their talents. However, it is the only way that they can pay the bills.
589. **Dr Graham:** The problem is that they are dealing in the local market, which is very small. There are 1.7 million people. Therefore, getting into the global market is hugely important. One unique feature of the app economy has been the development of the app store. That is a hugely significant development, which opens up opportunities for small regions because you have now got global distribution channels. If you publish your app on the app store, it is available worldwide if you can market it properly etc. Moving into products and looking at global markets is where the future must be to realise the opportunity.
590. **Mr Johnston:** A danger is that, because our companies are focused on services just to pay the bills, they are missing out on the time-to-market opportunity. By the time they get to market, competitors are already there. There is a limited amount of liquidity in the market and limited seed capital and venture capital markets. That means that, yesterday, for example, a games company — my kids all play one of its games — was

- sold to Zynga for \$200 million. It had previously received \$16 million in venture capital. There is no way that you could receive that amount of money in Northern Ireland. So we will just lose good companies; they will go elsewhere. We have already had some companies that have been approached by partners south of the border to relocate to the Republic of Ireland because of the better availability of finance.
591. **Mr D Bradley:** Is any research and development on apps ongoing in Northern Ireland?
592. **Mr Johnston:** Yes, there are projects on connected health, accessibility, finance and mobile security. We work with the other part of Queen's: we work quite well with the Institute of Electronics, Communications and Information Technology (ECIT) in the Titanic Quarter because we know the team there very well. We also work with HaptiMap, which is a European-funded project to make location services more accessible. There is also R&D on games interfaces and connected health, which is for very specific markets.
593. **Mr D Bradley:** Is the curriculum in post-primary schools aligned to the type of developments that have taken place in the industry and market?
594. **Mr Johnston:** Absolutely not.
595. **Dr Graham:** That is a major issue.
596. **Mr Johnston:** We cannot express how bad the situation is. We may take some responsibility in that it happened on our watch, but the information and communication technology (ICT) qualification is utterly unsuitable for a digital economy. Essentially, we have given people GCSEs and A levels in the 21st century equivalent of typing.
597. **Dr Graham:** User-based rather than practitioner-based skills are being taught. We need people who understand how to create applications, not just how to use them.
598. **Mr Johnston:** It is something that we have lost over the past 15 years.
599. **Dr Graham:** In fact, the ICT qualification encourages young people to think about a career only for them to realise that it is a totally inappropriate subject. They need to have studied mathematics and other hard subjects before getting into the market that we are describing.
600. **Mr Johnston:** At the same time as training a vastly insufficient number of people in software engineering, which is a skill that we absolutely need, we are training far too many physiotherapists and lawyers. I used the law example yesterday in a high school. When I asked how many pupils wanted to be software engineers, one hand went up, and that was in a room of 100 students. When I asked how many wanted to be lawyers, 10 hands went up. I had to explain that 450 of the 600 lawyers produced in Northern Ireland will not be admitted to the Bar.
601. **Mr D Bradley:** Are you saying that there is a need to move from the present ICT qualification back to something similar to the old subject of computing?
602. **Mr Johnston:** Such a qualification exists.
603. **Dr Graham:** An alternative A level was called computing, which eight schools in Northern Ireland still offer. Computing is a true subject that equips people with the necessary background for going on to study computer science. However, very few schools teach computing, and league tables are, frankly, part of the problem. It is easier to get high GCSE and A-level grades in a simpler subject. Schools encourage children to do that because it helps their league table position. We need to get away from that approach and start thinking about what the economy needs, what skills we have to generate and how we work through the whole education system to achieve that.
604. **Mr D Bradley:** What is the situation in further education (FE) and third-level education?
605. **Mr Johnston:** The number being trained is simply not high enough.
606. **Mr D Bradley:** Are the courses more aligned with what is needed?

607. **Mr Johnston:** The courses are aligned to what large companies want. For example, if a large company says that it needs 30 dot.net people a year, that happens. We do not really care about the specifics; we just want people to be taught to be programmers. One of the issues for universities is that they introduce programming to their software engineering students halfway through the first year, and they get a huge drop-off rate immediately because —
608. **Ms McKenna:** It is too hard.
609. **Mr Johnston:** Yes, people go into software engineering expecting ICT — more of the same. Prepared with just an ICT A level, they enter university and are introduced to programming. That hits them really hard, so they leave.
610. **Dr Graham:** To return to your point: we have found the colleges to be very receptive. We have worked closely with Belfast Metropolitan College in respect of upskilling employees in new technologies such as app developments. The computer science department at Belfast Met ran a 12- or 14-week course. There were about 40 people on it, and it taught them how to develop programming techniques for these kinds of devices. Therefore, colleges are being receptive, and they can contribute significantly to the development of the skill base that we need.
611. **Mr Johnston:** People in the industry do not understand the maximum student number (MaSN) cap, and I do not understand it. We are artificially restricting the number of people that we need for the industry.
612. **Mr Hilditch:** I will pick up where Dominic left off. Matt, we are surprised at the figures that you have given us in relation to vacancies and various other things. Today's presentation obviously relates to the inquiry into the creative industries. Have you taken this argument or issue anywhere else in central government? Have you taken it to DEL? What other avenues have you tried?
613. **Mr Johnston:** Essentially, we put the same points into our response to the economic strategy. We are funded by the Department of Enterprise, Trade and Investment (DETI), and we have been reporting to Invest Northern Ireland every quarter for the past three years. Therefore, I presume that that will have filtered upstairs.
614. As regards DEL, I talked to DEL and was told that it is too hard to deal with small companies. So, our small companies that are in need of the most help were unable to get any from DEL.
615. **Mr Hilditch:** Other members may wish to speak about apps development, but, when we wear different hats through sport and tourism, we are inundated every week by small companies. If individuals or a couple of guys in partnership come and try to develop some programme, is there any regulation or licensing on that type of work?
616. **Mr Johnston:** No.
617. **Mr Hilditch:** Mary has explained her vacancies. Are people taking the opportunity to go down their own route doing that type of work before they take a job in a company?
618. **Mr Johnston:** People who have developed the skills and want to be independent are taking that opportunity because they see it. Some companies that are taking on some of the cultural tourism app work may not be doing that full time. We have monthly meetings where we gather together people in mobile, in games or in open data. All those people have full-time jobs, and about 90% of them work for large multinational corporations. One of those people commented that he comes to the games development network and puts his time into it and helps other people because his day job bores him to the extent that he will leave programming and stop being a software developer if he does not do something exciting with it.
619. We are trying to promote the use of exciting products in e-learning and games. Most software developers got into programming because of computer games, but they end up making insurance software, and they want to rekindle that

- interest and perfect their craft. They are proud people. They are highly motivated to solve really hard maths problems, and we are not making it easy for them.
620. **Dr Graham:** There are some encouraging developments. We see a role for the public sector to help stimulate some of this sector by purchasing locally rather than procuring from overseas. With DETI, there was a pre-commercial pilot competition, which was the procurement of a number of tourism apps to see what value they could have. A company called My Tour Talk developed an iPhone app, and it has used that success as a catalyst to grow its company. It is selling all over the world. That kind of initiative is fabulous where it is actually focused on procuring locally and not procuring from other regions.
621. **Mr Hilditch:** That was the one that I had in the back of my mind.
622. **Dr Graham:** It was an excellent scheme, and it worked well. The other competition that we are finishing off involves two companies that won contracts, one for a GAA Comhaltas app and one for an Ulster-Scots app. Those will be launched some time in April, again, using public sector funding to deliver value to the public sector and to stimulate the development of companies that can deliver and create these kinds of skills. It was an excellent initiative.
623. **Ms McKenna:** I am glad that you mentioned that. Invest Northern Ireland recently bought an e-learning programme from a North American company. It did not even look at ours, and we are up the road from them. That was very disappointing.
624. **Dr Graham:** Everybody talks procurement regulations in Europe. The French buy locally and then say sorry to the European Commission. They do not get hung up on all the regulations. We need to look after ourselves and use our procurement possibilities as a way to stimulate the development of local industry. In the Republic of Ireland, of course, that is what they do. We need to think of ourselves and build our economy.
625. **Mr McGimpsey:** I found what you said both interesting and quite disappointing. I expected that our creative industries sector would be a lot bigger and much more robust. When I look, for example, at the experience in Scotland, I always think that it is a brilliant model for Northern Ireland. However, we do not appear to be marching along with Scotland. Are there lessons to be learned from there?
626. You talked about your product and about finance, but the main message that I am hearing concerns the inability to get the right sort of folk that you need to man the workforce. That is down to training, and so on. You also mentioned that you have issues with Queen's and the University of Ulster. However, you said that students get an ICT O level, followed by an A level, end up with a degree from Queen's and then come to you. We are not producing enough graduates. Another problem is that there is, potentially, another raft of young people who could become part of your workforce: they will not get O levels or A levels, but they may have skills, creativity and inventiveness that you can use. How do we stimulate that? What do you get from Queen's: qualifications or skills? Are the relevant skills not better learned on the job? Is there an avenue there that we can consider, such as a form of apprenticeship or training for suitable young people? We could offer support in paying their wages to allow you to bring in young people to acquire the skills that you need.
627. It is a chicken-and-egg situation. This started off being about unlocking creativity, one product of which is the creative industries. It was about primary and secondary education; it was about employment and learning; it was about bringing it all together and our trying to replicate, as far possible, what is happening in Scotland, England and other parts of the world. There is as much creativity and inventiveness in our population as there is anywhere else. How do we unlock that and bring it to the fore? What I have heard today is quite disappointing. Is there another way

- that you can do it, rather than waiting for kids to take O levels and A levels, get their degree at Queen's and then come knocking on your door? You need to expand more quickly than that process allows. You are not getting the workforce coming through the universities at the rate that you need. Is there another way?
628. **Mr Johnston:** We are working on that. I went to DEL, for example, to ask about its apprenticeship scheme, but I was told that the scheme works only for big companies.
629. **Mr McGimpsey:** Sorry?
630. **Mr Johnston:** We were told that DEL's apprenticeship scheme works only with big companies and that it would be hard for it to offer ICT apprenticeships on any kind of scale. Taking that on board, and given the lack of provision of skills for the sector and in certain schools, we decided to do it ourselves. We run mostly skills-based monthly meetings, at which we teach people in the industry. There is no membership fee, and anybody can turn up. We have people aged 17 attending. The youngest participant in our events was 14 years of age, and he had to come with his dad.
631. On top of that, a movement called CoderDojo has started in Limerick. Essentially, it gets kids of any age started on programming, although, for legal purposes, under-16s have to bring a parent. That started out in Limerick, kicks off in Newry on 31 March and gets to Belfast in May.
632. **Ms McKenna:** That is a massive initiative. It was showcased at the London Web Summit on Monday of this week, and people from the Republic of Ireland showed what they were doing with younger kids.
633. **Mr Johnston:** We are doing it, but we are not supported in doing it. We have asked programmers in the industry to come along and those who are also parents to bring their children, too. Belfast Met has offered free space and a member of staff to manage it. I have yet to ask them whether they can provide refreshments — they might be able to do so. We are doing that in spite of things. We know the situation, and we do not see an easy fix for it, but that should not stop us from doing something about it.
634. **Mr McGimpsey:** I am astonished to hear that DEL's attitude is that the apprenticeship scheme is only for big companies.
635. **Ms McKenna:** Also, members from Digital Circle give up their time to go and talk to young people in schools and encourage them to think about a career in the digital creative industry. We always tell them that there is nothing to stop them from starting a business straightaway, that they do not need permission but can go ahead and get started now, because they do not need to go to university. We do that with schools in Northern Ireland all the time, without waiting for government support.
636. **Mr McGimpsey:** You are doing it, but clearly not at a rate or a level that satisfies the demand. You said yourself that your trained, or skilled, workforce is diminishing because of retirements and that you are losing more people than you gain. Is there some untapped potential? I have been in business all my life, and one of the ways in which we addressed the issue was through apprenticeships. Youngsters came in, and three years later you had a bricklayer, electrician, plumber, or whatever. Is it possible to do it that way?
637. **Mr Johnston:** Yes.
638. **Mr McGimpsey:** Or do young people require training and qualifications in the hard subjects?
639. **Dr Graham:** You need to have an aptitude. Programming is, typically, a mathematically intensive exercise, so you need to have the right people. Once you have the right people, you can use apprenticeships or traditional educational routes into the sector, but the key element is talent. We must not ignore the fact that we can compete globally if we have world-class talent. If we are to hold our heads up in world terms and compete globally, it is essential to create that level of talent

640. **Mr McGimpsey:** I do not want to labour the point but, in the building business, for example, youngsters spent year 1 in training schools. Those were wiped out 20 years ago, and that is why we do not have a skilled building workforce. We need Polish joiners and Ukrainian plumbers because we do not have anyone who is trained. The youngsters spent year 1 learning the skills and year 2 on the site. In years 1 and 2, they were paid directly by government, and, in year 3, some of their wages came from private firms. You got a virtually free operative: they got the skills, you got the benefit and government gave the support. Could that system be adapted? Perhaps not, but there is a huge pool of youngsters. We all hear the same thing: in my constituency office, for example, I hear about large numbers of youngsters who, effectively, leave school aged 12, 13 or 14, but they are not stupid kids. Is there a way to tap into those youngsters and, by paying them a wage, allow them to go and work with you and learn the skills that will be of some benefit? I know that you are not a charity and that you guys are in this for the bottom line. Would that help your bottom line? Would that be a way forward, or does it have to be done in the traditional way, through ICT O levels, A levels, Queen's University and beyond?
641. **Mr Johnston:** Two people recently hired by local companies are 17 years old. One has gone in full-time, and the other is staying at school to finish his A levels, but will work evenings and weekends. Aged 17, he is commanding a salary that is much higher than the private sector average and exceeds the public sector average. That is because he has a talent and an aptitude.
642. There are very young people who could show aptitude for this line of work. The issue is that they are being sent down the traditional routes because of the perception that the safe jobs are there.
643. **Mr McGimpsey:** That is the way in which the system directs young people, whether there is a safe job or not.
644. **Ms McKenna:** It is also about parents' awareness that this line of work is a viable option in comparison with becoming an accountant, lawyer or doctor.
645. **Mr Johnston:** We train 600 lawyers, for example, and to study law you have to be incredibly intelligent and highly motivated.
646. **Dr Graham:** We are offering people who have done a law degree or some other degree the opportunity to retrain. Through the colleges, we have been running 30-week conversion courses for non-IT graduates, and that is likely to continue. We need a number of channels: apprenticeship schemes, traditional university education, college schemes and conversion schemes. The lack of ICT skills is a European-wide problem. Recently, Mr Bruton announced that, each year, 14 institutions in the Republic of Ireland would convert 700 students with qualifications in other subjects. The Republic of Ireland sees conversion as one of the key elements, and so do I. We need various channels to increase the flow of skills into the sector, and apprenticeship is certainly one of them.
647. **Mr Johnston:** I would start with formal education at 11 years old — as soon as children enter secondary school. I think that programming should sit alongside maths as an essential subject. If pupils do not have an aptitude for, or do not enjoy, programming, by all means let them drop it in later years, just as I got rid of history. However, they have to be introduced to it, because there are talented young people out there, and we are missing them.
648. **Mr Irwin:** I apologise for not being here for the entire presentation. We all talk about there being no jobs, so it is good to hear that more people are needed in this field. I would have thought that the general public needed to know that and see that it is a viable option, especially parents with children of that age. Probably, many parents have not regarded it as such. The nature of programming means that you need young people who are motivated

- and creative. An individual can learn something, but cannot become an expert in the field unless he or she is motivated and creative. Have you any idea of the numbers needed in Northern Ireland?
649. **Mr Johnston:** Skillset reckons that there will be a demand for 9,000 jobs between now and 2015 if we keep pace with the global economy. I believe that the Science Park published its knowledge-based index and reckons that there will be the potential for around 25,000 jobs.
650. **Ms McKenna:** Yes, it is around that figure.
651. **Mr Johnston:** If we achieve half of those 9,000 jobs, I would be relatively happy; if we achieved 9,000, I would be very pleased; and achieving 25,000 would make an absolute difference. None of those jobs come with low-level salaries.
652. **Dr Graham:** High-value jobs then contribute to other parts of the economy.
653. **Mr Irwin:** I noted what you said earlier, and I agree that it is vital that we look after ourselves, whether in business or as a country. Most countries do, it must be said.
654. **Mr Johnston:** Our options are to start training people in ICT or start teaching Eastern Europeans English and bringing them over here because they have a skill base that we can use. As long as they pay tax here, I do not care.
655. **Mr McMullan:** I am amazed that your submission mentions taking examples from England and Scotland, but there is very little mention of the South of Ireland. It is quite clear from your presentation that the South of Ireland is way ahead of us. Do we not need to put down in a report the comparatives to show how we are losing out — a line in the sand, basically — and how we can tap into the examples of what it has done? The Programme for Government talks about 25,000 jobs. How will you influence how many jobs you can gain through that? I saw one reference to that in your submission, but I did not see how you were going to take that forward. However, I see the South of Ireland as one of the leaders, and that is also quite clear from what you say. How do we tap into that? Is our branding wrong here? Should we be branding this in a bigger market?
656. It worries me a bit when you talk about retraining solicitors or lawyers who have come through the system. Would that not leave the others whom you mentioned at a disadvantage? As you would be picking the cream of the crop, that would be elitist. Mr McGimpsey talked about young people who have the necessary talent. Without qualifications, how would they ever get on to that conveyor belt? If you retrain lawyers, you will obviously take the cream of the educational crop.
657. **Mr Johnston:** To be fair, one of our members is a company called Training By Choice. I believe that the company demonstrated outside Stormont after its funding was cut. So we have companies that do what you suggest, and we take in young people on placements and do as much training as we can. However, about 90% of our members are very small businesses. They work in a very small economy and are trying to grow their businesses. Taking on people and helping them is one thing, and we do what we can in that respect. Our interest in being here is to find out what else can be done. How can we change the way things are done, and how can we accelerate the process?
658. **Mr McMullan:** I agree with that.
659. **Mr Johnston:** We do not spend a lot of time on comparisons with the Republic of Ireland because it is a sovereign nation with a very different tax structure. We spend more time on comparisons with Wales and the north of England.
660. **Mr McMullan:** If I may stop you there, sorry, but is the tax structure pivotal to what you do?
661. **Ms McKenna:** No, most of our companies are too small to pay tax.
662. **Mr Johnston:** They pay income tax, but not VAT.

663. **Dr Graham:** Certainly, the bigger Momentum companies regard corporation tax as a major driver for growth. That was the one initiative in the Republic of Ireland that resulted in Intel and Google setting up European headquarters in the region. Corporation tax is not a magic bullet from the perspective of the bigger companies and will not solve everyone's problems. Other initiatives are needed, but it is a very important element in rebalancing the Northern Ireland economy. Momentum believes that 110% indigenous companies. However, many who look at the history of Silicon Valley would say that it was built on the back of Chinese and Indian immigrant labour. So it is not just a matter of using local people. We need to be inclusive if we really want to expand this opportunity, and if we need people from outside Northern Ireland, bring them in.
664. **Mr McMullan:** What about social clauses?
665. **Mr Johnston:** Social?
666. **Mr McMullan:** Are social clauses included that require firms coming in to take on so many people? You talked about France as a model for buying at home and not going anywhere else. You also referred to Invest NI buying from North America. What clause is included so that more must be done at home?
667. **Mr Johnston:** One reason why we do not think that corporation tax will be a magic bullet is the recent changes in the US, where the Administration plan to repatriate profits, so corporation tax will become less important to the big multinationals.
668. You mentioned the social side of hiring people. People need to have skills to be hired. My approach to attracting foreign direct investors and multinationals and addressing the social need for jobs would be to train x amount of people. Training people who have talent is not elitist. If they show talent and interest but have no qualifications, let us train them. There has to be an intervention at each stage. So we have to intervene in schools to spark interest early. We intervene in other ways through companies such as Training By Choice, which deal with people not in education, employment or training (NEETs). We also deal with the high end, so it is not an elitist approach.
669. **Dr Graham:** Also, it must be open to all. I talked about government procuring locally to help to stimulate the growth of
670. **Mr McMullan:** That is not a problem.
671. You also talked about 300 students coming through each year. Where do they go?
672. **Mr Johnston:** Some of them leave.
673. **Mr McMullan:** That is my point. Are they being headhunted, for want of a better word, by the bigger, global companies and taken out of here to America and Europe?
674. **Mr Johnston:** We do not have precise figures on that. We know that 25% of all graduates do not work in the area in which they trained and that 20% just leave. Graduates either do not necessarily see an opportunity in Northern Ireland, or they have been trained in the wrong thing.
675. **Mr McMullan:** That leaves you down to roughly 100 students.
676. **Mr Johnston:** That applies across the board. It is not possible to knock that down to computing. Most will get jobs in the local industry. The problem is that the rate at which we train is still a lot slower than the rate at which people die, retire or leave the industry.
677. **Mr McMullan:** You talked about ICT training in schools. I did not get ICT training when I was at school. Are teachers qualified to the standard that you would like to enable them to teach ICT to 11-year-olds and right through to university? I get the distinct feeling that our teachers do not have that level of qualification to pass on to the students.
678. **Mr Johnston:** A figure that I was given recently was that 3,000 teachers qualified in the United Kingdom last year. Of those, three had an ICT background — not 3%, but three teachers. I do not

- believe that teachers are receiving the right training, and, at the moment, that could not immediately be foisted on them. However, a two-month summer break is coming up during which some teachers could learn something.
679. **Mr McMullan:** Mr McGimpsey talked about apprenticeships. I came through an apprenticeship: I studied one day a week at the tech, with a block of teaching every three or four months. The teachers were there to take us through. That has all been done away with. I do not think that the teachers are there at the minute. So instead of starting with young people, you need to start with the teachers.
680. **Mr Johnston:** We worked around such issues before. We work with the University of Ulster, for example. As it could not find placements for its students — essentially, a couple of weeks out at work — we put together a programme and brought the industry in. I believe that we can get our industry partners and member companies to bring people into the schools to do what is necessary to run CoderDojo every single week in different parts of the Province. Even if it is not part of the 9.00 am to 3.00 pm schedule for schools, we can do that. It would be nice to be supported in that, which is not the case currently. We do not have to rely solely on teachers; professionals will give their time.
681. **Dr Graham:** There are some extremely capable teachers of programming. With e-skills UK, we run the Bring IT On career attractiveness campaign, through which we have engaged with 200 secondary schools this year. We run events and tell students what is involved in a career in ICT and programming. We really are trying to get the message out there. The responses from both universities have been very positive in that the number of applications for places on ICT courses has increased significantly.
682. **Mr McMullan:** Thank you. That was very interesting.
683. **Mrs Hale:** Thank you for your presentation. I just want to bring together the threads introduced by Oliver, Dominic and Michael. My focus is on post-primary education. Recently, I visited a school in the Chair's constituency and spoke to the maths teachers. They said that they were not aware of jobs other than those in banking or accountancy and that they did not know how to contact people in the creative industries. I told them that I was a member of the Committee for Culture, Arts and Leisure and that they had to contact the creative industries. How would you go about challenging the perceptions of teachers and, more importantly, parents? If schools wanted to invite you to talk to pupils in fifth and sixth year, how would they contact you?
684. **Mr Johnston:** So far, we have directly contacted them through Momentum, which is a Bring IT On partner, and we work with 240 schools. On top of that, I give some of my time to the W5 Stemnet project and as much time as asked of me to the Young Enterprise project. Yesterday, I spent all day at Wallace High School, talking to 200 students about opportunities in the digital creative industry and about what Digital Circle and Momentum could do for them. We were also a sponsor of a recent TeachMeet session, which is a social network for teachers interested in using ICT in the classroom. It is also a networking option for teachers so that they get more support from their peers. Every time something appears, we jump on it as a method of communicating with the education sector. Some of our members are teachers. Apart from word of mouth, it is very hard to get into a school. My first involvement was in NI Screen's moving image arts pilot. That is when I started talking to teachers, which was six or seven years ago. We will do what we can and when we see an opening. It is difficult because teachers have their own agendas and full-time jobs. However, the number of teachers who turned up was surprising: two weeks ago, 80 teachers turned up to a TeachMeet session, of which Momentum was the lead sponsor. It gives them time to talk about what they can do. We had

a trade stand there, and I spent the evening talking to teachers.

685. **Mrs Hale:** Sorry, Matt, but what was the breakdown of those schools? Were they all grammar schools, or were there some secondary schools?
686. **Mr Johnston:** It was a complete mix.
687. **Ms McKenna:** It is worth saying that Matt is Digital Circle's only paid employee. Everyone else involved in Digital Circle runs their own business as well and volunteers their time. All of us are prepared to go out and speak to schools, and so on, but, at the moment, we have no funding to advertise what we do. If we had a bit of money to do that, we could advertise events and get a lot more teachers right across Northern Ireland to come along. None of us is unwilling to give up our time. We all want to try to make things better for kids coming through the schools. We have loads of people who give up their time to do those things, but where we are stuck is in getting more support from government to help us to advertise, and so on.
688. **The Chairperson:** Thank you for coming this morning and taking our questions. It was a very informative session, and I hope that you will find that our inquiry report reflects much of what you said this morning.
689. **Ms McKenna:** Thank you for your time.

22 March 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
 Mrs Karen McKeivitt
 Mr Oliver McMullan
 Mr Robin Swann

Witnesses:

Professor Michael Alcorn *Queen's University*
 Professor Tony Gallagher *Belfast*
 Ms Shan McAnena

690. **The Chairperson:** Our next evidence session is with Queen's University Belfast. I welcome Professor Tony Gallagher, the pro-vice chancellor for academic planning, staffing and external relations; Professor Michael Alcorn, the head of the School of Creative Arts; and Ms Shan McAnena, the director of the Naughton Gallery. You are all very welcome. Thank you very much for your written submission. Perhaps you would like to take a few minutes to give us an opening statement. Members will then follow that up with some questions.
691. **Professor Tony Gallagher (Queen's University Belfast):** Thank you very much, Chair. I would like to say a few brief words to start. I want to begin by thanking the Committee for asking us to come along and speak today. We are very pleased to do so. I will introduce my colleagues briefly. As you said, Shan is the director of the Naughton Gallery at Queen's, which is the only accredited university museum in Northern Ireland. We are very pleased about that. She can talk to you about the gallery and other aspects of our cultural offerings. Michael is the head of the university's School of Creative Arts. It is a relatively newly established school. Michael can talk mainly, but not exclusively, on the academic side of what we do.
692. In the briefing paper that we sent you, we tried to give you a sense of the broader work that we do to encourage entrepreneurship and creativity among our students through our curriculum and in other ways. We have also provided information, statistics and details on some of our specific cultural offerings, including the Naughton Gallery, the Queen's Film Theatre (QFT) and the Ulster Bank Belfast Festival at Queen's.
693. In the paper, we have also tried to briefly give a sense of what we see as the main challenges in the area. I suppose that if we were to focus that, the main challenges that we see lie in the need for a long-term strategy. The problem with having so many different groups working in the area is trying to get joined-up thinking and practice in the field. We have also added in the paper a suggestion for the Committee to think about the idea of establishing a creativity hub as a way of trying to bring all these things together.
694. As my two colleagues are the main experts, I will bring my brief comments to a close. I look forward to any questions that you might like to ask.
695. **Ms Shan McAnena (Queen's University Belfast):** Thank you very much. As Professor Gallagher has said, the university not only has its academic structures, teaching and research for involvement in the creative industries but, uniquely in Northern Ireland, it has three — more than three — major cultural interfaces that have a huge external constituency, plus the academic schools' public interfaces. The three institutions of the festival, the gallery and the Queen's Film Theatre, as well as the Sonic Arts Research Centre and the Brian Friel Theatre, all attract major audiences into the university. Each year, we attract over 150,000 people through the festival, the gallery and the QFT, plus we have 2,000 other cultural events,

- many of which are free to the public and attract people from across Northern Ireland and beyond. Through the work of the festival, the Sonic Arts Research Centre and the QFT, in particular, there is an opportunity for audiences to experience and enjoy cultural offer from across the world. That is a major opportunity, not only for the local population but for tourism and visitors and, in fact, minority communities, who are able to experience cultural offer in their own languages. [Inaudible.] in Northern Ireland.
696. As part of that work, there is an accompanying education and outreach programme with dedicated members of staff who offer audience-development and audience-building opportunities across Northern Ireland, targeting areas of social and economic need particularly. It gives access to excellence not only in research and teaching but in offer. Major names in the creative industries have their work showcased at the university through performance, concerts, film and exhibitions. We offer incentives by allowing people discounted or free tickets and, in the case of the festival, free transport to the cultural offer.
697. Queen's is very proud of these institutions. The festival is in its fiftieth year. The university was for a long time one of the major cultural sponsors of the arts in the region. Until relatively recently, it was perhaps the only offer of big international artists. We work very closely with the academic schools across the university to not only allow audiences to experience our cultural offer through these interfaces but as a gateway to higher education itself. A lot of people come to the university for the first time for an exhibition, film, concert or performance. Through the links to the academic schools, they will be able to see opportunities for further study and qualification through the arts.
698. **Professor Michael Alcorn (Queen's University Belfast):** I will echo what Professor Gallagher said at the start. We welcome the chance to come here to talk about what the university is doing around the creative industries.
699. This review is very timely. I come to it with a wide range of interests, primarily as head of the new School of Creative Arts, which is responding to some of the issues that you are discussing. I also come to it as a practitioner and composer, so I am very aware of what we, as artists, are trying to do to create work in this environment. That work has included music for films and other things, so I have quite a wide range of experience on the issue.
700. Ten years ago, I set up the Sonic Arts Research Centre, which Shan mentioned a couple of times. It was devised primarily to bring arts and science together in one building where people do not necessarily work in separate environments but research and develop new ideas together. I still see that model as very relevant to the type of things that we are trying to do.
701. I heard CoderDojo mentioned in the previous evidence session. A meeting is taking place in Queen's on Friday to establish a variant of that that builds on some of the creative work that we do. It will be about not just programming but programming technology for creativity and the arts and finding ways in which those can inspire young people to learn how to programme and develop new ideas.
702. Within the school at Queen's, we have brought together film, music, drama and sonic arts to try to respond to some of the issues across those disciplines that come up time and time again through the creative industries. We see a great opportunity for us to develop the entrepreneurship work that has happened at Queen's already and embed it much more continuously in the curriculums of the programmes that we are delivering to encourage our graduates to go out and develop new businesses and business ideas.
703. **The Chairperson:** Thank you. As the term suggests, creative industries is very diverse. We appreciate the number of subsectors within it, and your paper reflects the fact that you have tried to tick off a number of those but that it is incredibly difficult to address the specific needs of each subsector. We have come

- across that issue. We speak to the representatives of each subsector, and they all have peculiar needs that are particular to their industry.
704. I am not sure that you were here for the full presentation from Digital Circle and Momentum, but Queen's was mentioned in dispatches. They feel that it is difficult to engage with Queen's and that they perhaps have a better relationship with the University of Ulster. Are you in a position to comment on that?
705. **Professor Alcorn:** I have worked in my own field. I come from an arts and humanities background, and I have worked very closely with Matt and others. I think that it is probably not necessarily fair to say that that is the case. It is probably a different sort of partnership. I guess that it links into different departments. I think that Queen's is as open as the University of Ulster to the types of partnerships that are being fostered here.
706. **The Chairperson:** You spoke about the possibility of having a creative hub, a subject which the Committee has discussed with other witnesses in previous weeks. I am not sure whether you see Queen's being that creative hub or whether you are looking at a creative Belfast or a creative Northern Ireland in which Queen's would have a particular role.
707. **Professor Alcorn:** I do not think that there will be a single way of doing this. It is a model that can also be adopted and used by FE colleges. It is certainly something that Queen's needs to do and sees the need to do. However, it has to be done in partnership with others, all of which points to the need to devise a model that we can all work around that will help to develop the types of skills that our graduates need to become entrepreneurs and develop new businesses and ideas or to join the creative industries structure.
708. **The Chairperson:** The papers that we received from the earlier witnesses cited one company stating:
- "None of the universities or colleges provide programmers with a skillset that we find immediately employable."*
709. Obviously, there is a feeling that there is talent in Northern Ireland, yet people do not have the particular skills and, perhaps, our universities and FE colleges are not honing in on the need for graduates to become employable.
710. **Professor Gallagher:** Yes. We have recently been engaging with some of the big employers on that issue. It arises, in part, because things move and change very fast in a digital economy. The speed of change sometimes makes it difficult to cope with newly emerging demands, partly because of this sort of process. It is also partly, frankly, because of pressures on students and the rising importance of employability from a student's point of view. The pressure of the increasing cost of higher education means students want reasonable guarantees that the degree they get at the end of it will give them good opportunities in the labour market.
711. In recent years, we have been engaging much more closely with employers anyway, particularly those in the finance sector, where the shortage of graduates with programming skills has been raised as a key issue. We have established employers' forums in different schools that directly link into that. Arising from those discussions, we have already got new courses; some of the courses are postgraduate, others are entirely new undergraduate programmes. Sometimes they looked at potential conversion courses, for example, for maths graduates, so that they can do something relatively quickly to get usefully geared up. So, we are responding to this process as quickly as we can.
712. The CoderDojo initiative, which Michael talked about, is on similar lines. It is about trying to develop a different culture in schools' approaches to these sorts of issues. It involves the industry and university technical experts working with young people to create a new environment in which these issues come much more to the fore.

713. So, we were aware of the issue. We are aware of the importance of that to the foreign direct investment (FDI) strategy, and we have been responding. New programmes are coming into place. Talk to people from the New York Stock Exchange or from Citigroup, and I think that they will indicate some of the ways in which we have responded quite quickly to some of these new pressures.
714. **The Chairperson:** Schools are certainly key to this. There was mention in the previous presentation that three out of 3,000 teachers who qualified had an information and communication technology (ICT) background. It is worrying that that expertise is not going into our schools.
715. **Professor Gallagher:** There may also be a problem in the education system because an awful lot of work around ICT has been focused on hardware rather than programming. That, I think, has been one of the gaps in the way that this issue has been addressed in schools in the past. It is part of the reason why young people who come into some of our computing science courses do not have much programming experience. Such experience is exactly what employers look for. A shift needs to happen at school level as well in relation to some of these issues.
716. **The Chairperson:** That comment was highlighted in and around the idea that programming should become an essential skill in school along with maths.
717. **Professor Gallagher:** Two main schools that are most directly involved in this in the university are the School of Electronics, Electrical Engineering and Computer Science, which runs most programmes, and the School of Mathematics and Physics, which has developed new programmes. It was financed to take young people who had high-quality mathematical skills and link them into programming and financial experience, which are the sort of attributes and the basket of experiences that employers tell us they directly need.
718. **Mr Hilditch:** Thank you for the presentation. You listed a number of challenges in your paper, the first of which is the lack of joined-up thinking between agencies/structures, colleges and universities. Could you develop that point further and give us some idea of where you see it going? That probably links into your second point about duplication of activity. Who do you think should take the lead in such issues?
719. **Professor Alcorn:** This came up when Creative and Cultural Skills held two sessions before Christmas with a lot of the educational establishments, both FE and higher education. It was clear that there was a lot of duplication of activities and a lot of shared experiences that could have been brought together. We are missing a forum across rather than up and down through the structures, which would allow us to share experiences and, at least, to develop a coherent educational strategy around the creative industries. That is what is missing at the minute.
720. **Mr Hilditch:** Who should take the lead on that?
721. **Professor Alcorn:** I think that it could be Creative and Cultural Skills, or, indeed, Skillset is the other organisation that would be ideally placed, because that would also bring employers into the discussion.
722. **Mr Hilditch:** That links into what representatives from the digital industry said during the previous session. It may open a few doors.
723. **Professor Alcorn:** That is definitely right.
724. **Mr D Bradley:** The Chair asked about establishing a creativity hub and said that a number of other organisations had mentioned that. Is there a need for a more strategic approach to the establishment of hubs? With Northern Ireland being as small as it is, is there not a danger that creative efforts would be dissipated if we had a number of hubs rather than one main centre?
725. **Professor Alcorn:** The hub proposed here is more about how we transition

- people out of higher education and into employment. For example, I imagine that, in the final year of their studies, students who really demonstrate entrepreneurial skills would become part of that and that either the institution or a range of bodies would help to support them to become established in the period just beyond their studies. That can only really work on a fairly local level. I am sure that there is scope for a number of those types of hub activities around the key education providers to help people to get out beyond their studies and into employment.
726. **Ms McAnena:** On a more strategic level, there needs to be joined-up thinking between the providers of training and skills and the funders of product, for example, the Arts Council. We find that in the university, because we are coming at it from educators and trainers and from the people who are showcasing product. Getting the two to join up and speak to each other is, sometimes, quite difficult and that is where some of the duplication and the confusion about who is eligible for funding comes into it. Anyone — young creative people, old creative people — who wants to tap into their potential and their creativity needs to have training and experience, but they also need to see best practice and best examples. Sometimes, the two do not meet in a meaningful way. Therefore, you need to bring audiences to see the best so that they can go away and be inspired to produce and be the best. Sometimes, linking up those two parts of the creativity cycle is quite difficult. If there were an overall strategic body that brought together all those elements — investment and funding for arts product and training — that might be quite a good thing. I say that from my experience at least.
727. **Professor Alcorn:** We have a role to play, regionally, to open our doors and make available on a community-wide basis the skills and expertise that exist in the university. It is not just about our own graduates; it is about what we can put back into the local society as well.
728. **Mr D Bradley:** How do you fuse creativity in subjects such as English literature with the digital age?
729. **Professor Alcorn:** We have been involved in the literary Belfast app. It was partly developed at Queen's through exactly that sort of partnership. We are embedding in many of our courses a much higher awareness of new technologies and how they apply in arts and humanities, right across undergraduate and postgraduate programmes. Most people realise that we need to have that digital awareness if we are going to be competitive. It is finding its way into programmes such as English literature and similar degrees that you might not normally associate it with.
730. **Professor Gallagher:** Processes such as digitisation are providing access to bodies of documents and materials that, previously, were very difficult to access. That can make quite an important contribution in this area as well.
731. **Mr McGimpsey:** We had a presentation recently. As you aware, the Unlocking Creativity initiative has been running for about 12 years. The creative industries would have been one of the desirable products or consequences of a successful strategy. Looking at the Scottish experience, which we looked at 12 years ago, how do we match that? How do we keep up to that sort of pace? From listening to folks in this area, it appears that we have not done anything like keeping up with the pace that has been set in other parts of the United Kingdom — in England, Scotland and Wales — never mind other parts of the world. One of the big issues we have heard about from people is being able to recruit sufficient numbers for their workforce to fill the needs of their business. In fact, they are saying that the workforce is shrinking, which means that they have to look outside Northern Ireland, and that is fine and all the rest of it. But how do you support them in that?
732. I have a concern that Queen's is so vast that this issue is floating about and gets lost in the fog. How do you produce the graduates that business people need? First, they are saying that the graduates

whom they are getting are not always up to the skills that they require. Secondly, there are just not enough of them. Is an organisation such as Queen's, wonderful though it is, capable of producing the type of individual who has not simply the maths or physics background but the knowledge of the digital industry and the spark of creativity and inventiveness that employers are looking for?

733. I see this as vital, because there are potentially huge rewards for our society and for youngsters who will never see the inside of Queen's and have no mission of achieving O levels and A levels but who have that spark of inventiveness and creativity that can be brought out to support these companies. Queen's appears to be almost taking a lead here, as far as the production of a workforce is concerned, by training folk. Frankly, the suggestion is that you are not actually producing what is required. How do you plan to do that? How do you give us more graduates? How do you get the graduates with the skills that we require? How do they acquire the wider experience or skill sets that a very rapidly changing digital industry is going to need?
734. **Professor Gallagher:** First, I want to reassure you that this specific issue is absolutely central to the university's priorities. We have developed and recently launched a new five-year corporate plan, and one of the key elements in it is the whole issue of graduate employability and the quality of our students' experience. I referred earlier to the fact that one of the ways in which we are addressing that is through our engagement with employers, which has been significantly cranked up in recent years, precisely because of the perceived need to ensure that we can respond as quickly as possible to change in market conditions and that we link that into the programmes we are providing and the attributes and qualities that our students are graduating with.
735. You need to think about the pipeline of delivery right through the system. So, at

the other end of the scale in a sense, we have also dramatically cranked up our engagement with schools, even to the extent of providing a junior prospectus. Youngsters in schools who are making choices for GCSEs need to know about some of the longer-term consequences — about the doors they are opening or closing, depending on the choices they make. So we have produced a junior prospectus, which gives 14-year-olds an opportunity to say, "If I go in this direction or that direction, these are the sorts of things that will be available". We have dramatically increased our level of engagement with school principals and careers teachers, so that they can become more aware of some of the consequences of the digital economy and the information economy, where things are moving very fast, and become more aware of the new occupational or employment opportunities available there. Rather than thinking of school, university and the labour market as discrete areas of activity, which maybe happened in the past, what we have tried to do very consciously and deliberately over the past few years is to blur the edges and the boundaries between those areas, so that there is much more engagement and connection across each of the stages and it is possible for people to see some of the new routes that are opening up.

736. Arising out of our enhanced engagement with schools and employers, internally, we are trying to drive towards more interdisciplinary programmes. We recognise that a lot of the old disciplinary silos have particular histories and developed for certain reasons and that we need young people who have experience across a range of areas in many of the things that you are talking about. The best example I can point to at the moment is the engagement between people working in maths, computer science and management, and how those things can connect together to give graduates a range of experiences that will be immensely valuable to them, when they go out looking for jobs, and valuable to employers. Employers are

- taking the lead and telling us about the sort of things they need, and, as far as possible, we are trying to respond to that. That is very important to us, and we have been doing things in recent years to directly address the criticism. I think that some employers out there acknowledge that we are moving as rapidly as we can in a fast-moving situation.
737. **Mr McGimpsey:** OK. I want to follow up on that, because what you said is interesting. You started off talking about strategy and joined-up thinking, which is exactly what we are about and what we need. It appears that there is not enough joined-up thinking, or anything like it, between the Department for Employment and Learning (DEL), the Department of Education (DE), the Department of Enterprise, Trade and Investment (DETI) and the Department of Culture, Arts and Leisure (DCAL).
738. You talked about blurring the edges, and I strongly support that; it is very much the way forward. In respect of blurring the edges, I do not know how many years it takes for your graduates to get a qualification or a degree, but how long do they spend with business? Would it be sensible to get students to spend six months or a year working either in local business or, probably just as valuable, in Scotland or further afield? As you know, a lot of your younger graduates have to spend time away. Maybe you already do this. Maybe it is already the case that students have to spend six months in the research triangle in North Carolina or somewhere; I do not know. However, it is about blurring the edges, so that graduates have that knowledge and skill and, at least, have a sense of what it is all about before we try to get them into a job here.
739. **Professor Gallagher:** The role of placement opportunities, locally and internationally, has also been highlighted in the new corporate plan. A couple of years ago, we started a new course in actuarial science, because we saw that there was an opportunity and a demand for qualified actuaries. As that was one of our new programmes, we built in a placement year, and that has proved to be hugely successful. The first cohort has graduated, and quite a proportion of them got jobs with the company in which they had had a placement. Our students were placed in companies right across both islands. That has been a model for the development of other new programmes.
740. We have also been very keen to encourage more international placements. We already have quite a large number of students who take advantage of Erasmus opportunities, and we have a number of well-established programmes giving students the opportunity to go to North America. We think that those sorts of international opportunities are important, not just in themselves but in raising the sense of ambition among our students.
741. One of the challenges has been that quite a high number of graduates preferred to stay in Northern Ireland in lower-paid, non-graduate jobs than going elsewhere for higher-paid, graduate-level jobs. When people leave, we no longer think of them as going into exile. They are part of a diaspora that feeds back into Northern Ireland. Some of our biggest research investments in recent years have come from alumni working in Malaysia, the United States, or other places. They become a resource for Northern Ireland. We are very keen to raise that sense of ambition, and enhancing placement programmes is a key part of that. The new programmes that I have been talking about are the sorts of things that we are building into those programmes. The timescales are varied: for a new undergraduate programme, it will take three years before we see the direct consequences, whereas, for a new postgraduate programme, we can see the evidence of change within a year. Conversion programmes, which take highly qualified maths students, for example, and give them links to other areas of expertise, can be done even more quickly. So there are a variety of options, and we are trying to be more agile in our responses.
742. **Mr McMullan:** In your recommendations, you refer to establishing a low-cost, high-

- risk start-up fund for the creativity hub. Perhaps you could draw that out a wee bit. Low-cost and high-risk sounds good.
743. **Professor Alcorn:** In this sector, quite often, the most interesting ideas do not cost a lot of money. We demonstrated that in Queen's with our 'Dragon's Den' competition. That involved our arts and humanities students, who are at the centre of the whole review process, and people working in this sort of field coming up with new ideas. Some ended up establishing theatre companies and other things. That grew from a very small initial grant and was designed to get them thinking about how they take the skills that they have and make them relevant to the wider general population. However, there is a risk attached.
744. I will give you another example. A number of years ago, we ran a training programme for students who wanted to become recording engineers. The turnaround for that could be 10 years: it could take that long before somebody makes it. It is very high-risk, because the money is invested a long time in advance of any outcome, and it could be up to a decade before somebody makes it in that field. That is where the risks come, but, in our particular field, it is the right strategy.
745. **Professor Gallagher:** If you want to encourage innovation and a genuinely creative environment, you have to be prepared for a life of failure, because you cannot innovate unless you try lots of things, many of which will not work. Part of the difficulty in trying to have a genuinely innovative and creative environment is an audit culture that takes for ever to make decisions and wants to have every i dotted and every t crossed before it is prepared to invest in anything. With a low-cost, high-risk approach, you make small amounts of money available to people to try things, knowing that a significant proportion will probably not go anywhere. By doing that, you allow opportunities for things that will have an enormous impact to flourish. That is why it is worth doing.
746. **Mr McMullan:** With a low-cost, high-risk approach, you could be talking about a 90% failure rate.
747. **Professor Alcorn:** Could be.
748. **Mr McMullan:** Who do you envisage funding that? Would such funding come from your sponsors?
749. **Professor Alcorn:** A partnership might be feasible between the institutions and, perhaps, private business. We are trying to encourage people to come up with ideas and feel that they have the confidence to come forward with them. At the minute, the fear of failure is very prevalent here. It is about how we change that culture into one of trying to encourage people to come forward with ideas and develop them into things that could be economically relevant. There may be a higher failure rate, but that is the price you pay for really good ideas, some of which will, hopefully, be very profitable.
750. **Mr McMullan:** I do not know whether government could, for example, fund something like that if it involved high risk and a long-term return. I see that funding coming more from sponsors or through somebody setting up a fund to protect the idea of an entrepreneur so that it could not easily be poached by an international company. Something like that would be of benefit, but you do not have that protection for entrepreneurs at the moment. You receive around £700,000 a year in sponsorship. Could any of the firms that sponsor you put up funding for something that was high risk?
751. **Professor Gallagher:** Potentially. However, if we are really serious about encouraging creativity and innovation, we need to rethink some of the old assumptions. Recently, there was a big story in the press about Encyclopedia Britannica. After something like 144 years, it is ceasing the production of its volumes. That is because Wikipedia has, essentially, put it out of business. Wikipedia is an example of an open access approach to knowledge. Intellectual property issues are still important. However, the point about

- Wikipedia and other open source approaches to development is that they mean putting everything out there and letting everyone have it for free, on the assumption that some people will pick it up and do interesting things with it. That is where the Linux operating system comes in. Even Amazon is based on an open access model, although it is a different type of commercial model. Amazon makes a lot of its money on hard-to-get products for which people are willing to pay, which allows it to discount items that people buy in large volumes. It is a different approach to the way in which we do business. The key point is that it is profitable in the longer run, even though it means having fundamentally to rethink some of the assumptions that have driven things in the past. That different type of approach is what we need for a different type of economy.
752. **Mr McMullan:** How do you get that, given that there are no ties to Wikipedia? It is open to everybody, so who is answerable?
753. **Professor Gallagher:** With something like Wikipedia, if it does not work, people will not use it, and it will collapse. Some of the biggest web-based developments, such as Google or Facebook, can generate huge amounts of income. They are all based on an open access model. You do not pay to use Facebook, but it works because so many people use it.
754. **Mr McMullan:** I understand.
755. My final question is on the creative industries. Do you see the tax differences here as a drawback?
756. **Professor Gallagher:** Certainly, many who come to perform at the Belfast Festival and similar events are self-employed. They take part and declare their own taxes. If they have travelled internationally, they do so locally and internationally. I do not think that it has a huge impact.
757. **Mr McMullan:** There are no tax breaks here for film or television. Do you see that as a drawback?
758. **Professor Gallagher:** I have no experience of that.
759. **Ms McAnena:** I have a bit of experience in film production. I think that, yes, that is a drawback for funding. Here, there is an emphasis on investing in big productions that will bring in big names to make big films, but let me go back to the high-risk, low-cost model that you and Tony talked about before, Mr McMullan. For instance, 20 years ago, in Seattle, small amounts of money were invested in experimental and locally made films. Many such films will never be seen by anyone beyond friends or family, but one or two will be hugely influential. Not only does such investment here foster creativity and skills development for young film-makers, it makes Belfast a very trendy, sexy place for people to come to. For a fraction of what might be granted to a huge production, which comes in, goes away again and might not employ that many people, you can invest relatively small amounts of money in young people, reskilling and in the practice of what can be quite avant-garde art. That might be more difficult, but people getting involved has a huge filtering and feeder effect, which is very important.
760. Government has a role to play in that area, even through the strategies of arm's-length organisations and how they invest their money. There are artists, actors and film-makers of international standing here who have the skills, but not the opportunity to showcase them. That also develops a sense of locale, terroir, or rooted-in-Northern-Ireland flavour, which makes people want to visit and to make and do things here. However, that is quite difficult. Across our range of interests, we pride ourselves in giving a platform to local artists, makers and musicians. However, all the time, I find that, for the want of very small amounts of money, they just do not get the opportunities to showcase their work. If you can foster that, it will mean that other bigger industries such as tourism, on which we depend massively, will be more attractive to people, and

the development of property and city quarters will increase. This goes back to the Creative Scotland model of locations specifically identified as creative. All the agencies can develop those areas as centres not only for business and the creative industries but for tourism, property development and general well-being. That joined-up approach is really important.

761. **Mr McMullan:** Does that extend to the television industry?
762. **Ms McAnena:** Yes, I think so.
763. **Mr McMullan:** And to digital?
764. **Ms McAnena:** Absolutely. The amount of young people sitting in their bedrooms uploading videos to YouTube shows that the innovation is there. It would take only very small amounts of money for them to take that one step further and to have the opportunity to showcase their work at the QFT, have a concert at the Sonic Arts Research Centre or open a pop-up shop in empty premises in the city centre. It is a very small amount of money in comparison with the amounts of money spent on attracting large industries, particularly film, which can be here today, gone tomorrow — it can build, but sometimes people just take the money and run. You can get a lot more bang for your buck if you invest in those smaller ways. I feel quite passionate about that.
765. **The Chairperson:** Thank you all very much for coming here today and contributing to our inquiry. It was very useful.

29 March 2012

Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
 Mr William Irwin (Deputy Chairperson)
 Mr David Hilditch
 Mr Michael McGimpsey
 Mrs Karen McKeivitt
 Mr Oliver McMullan
 Mr Cathal Ó hOisín
 Mr Robin Swann

Witnesses:

Mr John Cartwright *Stendhal Festival of Art*
 Mr Ross Parkhill

766. **The Chairperson:** Good morning. If you give us an introductory statement, members will follow up with some questions.
767. **Mr John Cartwright (Stendhal Festival of Art):** No problem. First of all, thank you very much to the Chair and the Committee for the opportunity to come up and speak today. I see that quite an impressive list of long-standing organisations have been providing input. We are coming from the other side of the coin in that our event — the Stendhal festival — is a start-up, so it might be helpful to hear our point of view as opposed to guys such as the Ulster Orchestra, in that we have not had the experience that those guys have had. I will start by telling you a little bit about the festival, our objectives, the potential and where we think greater acceleration of opportunities for growth in the industry exists.
768. The Stendhal Festival of Art is based in Limavady and is an event that offers people the opportunity to come and discover a wide range of arts over a weekend. Last year's event was our first. We had over 1,300 people on site, including 35 bands in wide-ranging genres, from rock to folk to pop to bluegrass. We had all sorts of everything. We had Irish dancing, flamenco dancing, modern dancing, poetry, comedy, an art gallery and kids' workshops. We very much base ourselves as a family friendly festival, and we were very proud of the demographic that we drew. For example, the youngest person on site was six months and the oldest was 89. We very much try to appeal to and incorporate absolutely everybody.
769. We believe that our business model is unique in Northern Ireland and may be unique in the entire festival industry. We are constituted as a not-for-profit vehicle aimed towards becoming a multi-stakeholder co-operative. At this point, 15% of annual profits shall be commissioned back into local arts development through community groups and other outlets, 15% shall go to five charities, and, presently, 42 members shall benefit commercially from the remainder. We see Stendhal as a force similar in ethos to the likes of Ben and Jerry's and John Lewis. It is maybe not quite as successful yet, but it is a commercial/social enterprise that develops partnerships and collaborations with industry colleagues and local art providers such as the North West Regional College, the Roe Valley Arts and Cultural Centre, community groups, Limavady Borough Council and, of course, local bands and artists to help regenerate the town based on arts and culture.
770. We raised £16,000 from private investment last year, £10,000 of which came from London. We brought that into the Northern Irish economy, and we received deficit funding from Limavady Borough Council, 50% of which was funded via the Department of Culture, Arts and Leisure (DCAL). That was £5,000 towards last year's event. We applied for other funding through other bodies, but, unfortunately, our experiences with the Arts Council to date have been somewhat negative. We will be happy to elaborate on that

- experience if the Committee wishes to hear a real example from a start-up point of view.
771. The subsectors identified as the creative industries do not include festivals or arts-based events, and we are not sure why. Those types of events offer people the opportunity to experience arts in a leisurely environment where they can explore whatever catches them in a non-curriculum-driven environment. The Discover Northern Ireland mantra of discovery is very much alive at many festivals in Northern Ireland. Keeping up to date with everything going on in the tourism sector, it is obvious that the Northern Ireland Tourist Board complements this Committee's objectives in advertising Belfast heavily as the "city of festivals". We recognise and celebrate that in our tourism ads, but it is not recognised as a subsector through funding channels or focus.
772. We, as a breed, are recognised for our hospitality, and such events outside big city landscapes can offer major opportunities. Granted, generating intellectual property is not an outcome of those sorts of events, but that is not a necessity given that multilayered festivals of art, music and culture bring together customers and sellers, provide a networking opportunity and increase the chances for people to start new collaborations such as the starting points of new innovations. As we know, if you want to spin out economic value from microenterprises, you have to give them local platforms where a lot of people can be exposed to their work and meet other collaborators for the potential to create new partnerships or even just make new contacts.
773. How do we enhance the market potential of the creative interests? We discovered in our correspondence with the Arts Council that Limavady is an under-represented area, yet, as an organisation seeking support, we were offered nothing. That has to be questioned. Events such as Stendhal can provide a platform to the performing and visual arts, crafts, music, design and digital, and nine of the subsectors were represented at Stendhal last year. It is our long-term ambition to include all aspects of the arts as we grow. Limavady, as you may or may not know, has high unemployment levels, comparable to those in Belfast, and some of the highest levels of child poverty in the country, and we believe that there is an opportunity at local level to accelerate Limavady and the north-west's regional strengths in music, art and culture. In 2007, Glastonbury was worth £75 million to the local economy in England, and, by 2020, we aim to achieve 5% of that. If we do, it would be a great boost for the area.
774. At the same time, Limavady's North West Regional College was renowned for its art and design department. We have a new Roe Valley Arts and Cultural Centre, which is an amazing building that has some brilliant things in it, and we have an area steeped in cultural and scenic wealth, including the Roe Valley country park, Benone and Binevenagh, 'Danny Boy' and the history of all that. We are working closely with Limavady Borough Council — Ross is now a member of the Roe Valley arts and heritage committee — to build our links and overall project objectives. Festivals are something that Northern Ireland can do very well. We celebrate their success in our advertising campaigns, so one of our main points is that they should be a subsector in their own right. There needs to be recognition of the potential that there is in a relatively new but growing market in Northern Ireland. We are not suggesting that funding should be proportional to the other subsectors but that, if Northern Ireland is serious about building the creative industries, such leisure and artistic-based events can help to inspire the domestic market and, thus, its thirst for developing skills to support the broader aims.
775. Multi-tiered festivals that bring together the performing and visual arts, music and crafts accelerate the possibility for new innovations by bringing together people and ideas and media crossover. They cannot export directly, but they can build talented artists and give them a

- platform to get better so that they can export themselves. If the likes of Snow Patrol had not had the opportunity to play at local festivals, they would not have built up, so to speak, and would not have been able to make a global mark.
776. Support to the wider creative economy seems to be happening on a very individual basis and in the form of funding for only one person or one organisation. We would encourage the Committee to look at the City of Culture 2013's Culture Tech fund to see how government can facilitate new collaboration that can be of benefit to both parties and to wider society.
777. The Culture Tech fund sought applications for digital organisations to partner with arts organisations for new ideas. The application form was essentially eight easy pages, and we were lucky enough, along with a start-up, NonZeroSum, to receive funding for a new interactive digital woodland installation for our festival this year, which means that kids and festival-goers will be able to change the wood by sound and lights. It is all going to be very exciting.
778. More collaborative calls need to go out that are not just digital-based. If we do not do that, there will be a split in the creative sector between digital and traditional arts. Instead of raising the bar for both, we seem to be focusing more on digital.
779. We would be interested, as a start-up, to know how many people who are funded by the Arts Council are repeat recipients — not including the creative industries innovation fund — and what size those organisations are. There is a perception in the arts community, rightly or wrongly, that the same people are getting the same money year in, year out. That is detrimental to stimulating people to work in the sector, and it distorts competition in the marketplace. That is a fundamental negative of government's role.
780. Stendhal is lucky in that we have had great local support, both financial and non-financial. However, as entrepreneurs trying to do things, to us government can feel like a barrier — a disincentive instead of a facilitator. When you get knocked back, and you know that you have a good idea or product, it is disheartening. If you want the sector to grow, funding for the arts needs to be administered at a more local level.
781. We further believe that DCAL must look to promote the commercial market in order to fully complement the potential of our long-term exports and the creative industries' potential to become an economic agent of merit. The average professional artist who lives in Northern Ireland earns just £7,500 a year; that does not include those who do it just because they love it. A lot of the bands from Limavady who played for us last year said that they would do so for free, but we told them that we would have to find the money to pay them, because there was no point in bringing the festival to Limavady without the people from the area benefiting. We ensured that the bands were paid.
782. We did not pay the artists for their time, but we gave them a platform to showcase their art. We had great success with that last year, in the sense that four of our artists sold pieces and another received commissions for more work afterwards. Two of those artists were students from the North West Regional College who had never sold art before, and they were delighted. That is what we want to bring to the area, and we hope that we can continue to do so.
783. Celebrations, showcases of the arts and the organic growth of the general market via this medium would enable longer-term positive development of the sector.
784. **The Chairperson:** Thank you. Was this your brainchild?
785. **Mr Cartwright:** Yes.
786. **The Chairperson:** But you do not work full time at this?
787. **Mr Cartwright:** No. Both of us have other jobs.

788. **Mr Ross Parkhill (Stendhal Festival of Art):** We tried to get going in 2008. We were very young, naive and ambitious, and we tried to pull it around from the end of May to do it in August. That was a three-day festival. It was madness. We are still paying that off. We finally got it off the ground last year.
789. **The Chairperson:** I congratulate you. You deserve to be congratulated because you saw an area of need and are attempting to address it.
790. You mentioned a number of times in your written presentation and in what you said today the fact that there are limited resources and that you feel that they have gone to established large-scale events as opposed to something like what you are developing. I also noted that you were in receipt of community festival funding via the local council. We have the community festival fund as a result of Minister Poots recognising that when he was in position. Do you think that that requires development? One of your closing lines was that government needs to look at funding at a lower and much more local level. You also criticised the Arts Council. There are two questions there: one is about the community festival fund and the other is about your experience with the Arts Council.
791. **Mr Parkhill:** Last year, we set out with a budget plan of £55,000 expenditure. That took into account the hope of getting around £10,000 from other funding channels, including the Arts Council. We did not get that in the end, so we trimmed the fat, and our expenditure was £40,000. The community festivals funding was deficit funding. Although we could count on that in our budget, it did not add to our confidence in the budget setting — if that makes sense. Our aim was to put on an event that covered itself and washed its own face.
792. **Mr Cartwright:** Although it was there, we would have preferred not to have to use it. If we had to use it, it meant that we did not succeed. That was how we looked at it.
793. **Mr Parkhill:** It was a big challenge to us to wash our own face. Personally, we still have to pay off 2008 for another year and a half. Although the funding was there and we could account for it in our budget, it would have been nice to have had support from the Arts Council, which is the administering body. To be honest, things with the Arts Council were terrible, in my opinion.
794. **The Chairperson:** Will you expand on that?
795. **Mr Parkhill:** Yes. We applied for project funding, and we were rejected for three reasons: that we were too commercial in our approach; that no strategic business plan was submitted; and that we were scored low in planning, governance and financial management.
796. **The Chairperson:** Were you given any further explanation?
797. **Mr Parkhill:** Yes. That was the initial rejection, so we appealed that. We responded by stating that commercial organisations are allowed to apply for the project funding. Nowhere in the guidance was there any request for a business plan. As far as planning, governance and financial management was concerned, we had already set up a board by that stage, which included a prominent local businessman as our chairman; my father, who has 38 years' business banking experience, as our treasurer; and an operations manager who held management positions at V Festival, the Reading and Leeds festivals and Oxegen.
798. **Mr Cartwright:** They know their stuff.
799. **Mr Parkhill:** That is quite a good calibre by our reckoning. Then there was us eejits.
800. The appeal went through. It was supposed to be a two-month process. Reasons were given for why we did not receive a response within the two months, but I had to chase e-mails constantly to the point of my embarrassment because I do not like to hound people. Lorraine McDowell came back and said that the board had upheld the decision.

801. **The Chairperson:** Do you feel, having gone through the process with the Arts Council and the feedback that you received from it, that you will be in a better position next time to apply for funding?
802. **Mr Parkhill:** I think that we are. In hindsight, it would have been a risk for the Arts Council to fund us because we were a start-up and we had tried before and failed. The last response from the Arts Council stated that it appeared that our board met only once per annum, but that is a complete supposition. We sent in our constitution, which said that we met quarterly. So that says to me that it was not even read, which is disrespectful.
803. **Mr Cartwright:** We were disappointed with the Arts Council in the sense that we thought that it would embrace something like this. We thought that it would be a lot more willing to come forward and give us a hand, as opposed to sitting back. The Arts Council was aware that we were new to this. It is the body that people in the arts industry look to for guidance and help, and it almost brushed us off as if to say, "Never worry about them ones up there in Limavady". That is the feeling that we got.
804. **The Chairperson:** You mentioned in your submission that there is tension between digital and traditional arts and that there is maybe an overemphasis on digital. In your experience with those who are involved in the traditional arts, are they being encouraged to diversify or to link up with digital entrepreneurs in their area or in your area?
805. **Mr Parkhill:** I cannot answer that.
806. **Mr Cartwright:** A lot of the people we know who are involved in the arts in Limavady are younger folk, and they are very open to that idea. As you grow up, you want to learn new things. Digital media has come to the fore in the same sort of way that media has changed. I am a journalist by trade, and journalism is now digital and internet based. There is a feeling that if you do not jump on, you will be left behind. In saying that, I do not know if there is a huge amount of feeling towards that. It is not my area of expertise.
807. **Mr Parkhill:** To elaborate on my answer: I moved to London in 2008, and I have just returned to focus on this year's festival, so I do not really know the local scene.
808. **Mr Ó hOisín:** Thank you, Ross and John, for coming here. At this point, I will declare several interests. I am very proud of the way in which these fellas have brought the festival together and put it together last year. I was involved in it through the council as far back as 2007 and 2008 when it was first mooted. I do not know whether I should declare a pecuniary interest as well because I bought a family ticket last year and then did not get to the festival because of family commitments. However, all the reports that I heard were that it was completely different, very successful and had so much potential to run on.
809. I have touched base with a number of community groups and community arts groups, and there seems to be an issue regarding the application process, which is rather unfortunate. I know that the Arts Council simplified the requirement for forms a while back, but I still think that there is a job of work to be done. The fellas also touched on the distribution of funding for community arts festivals. Some £13 million of funding was distributed for community arts festivals last year, and some £10.1 million went into the greater Belfast area. I am not saying that that is wrong, but the remainder of the funding has to be divvied up among everywhere else. Some of it goes to Derry city, a little goes to Coleraine, and rural areas, such as Limavady, get very little. Therefore, we must encourage the Department to take a look at that, and the Committee should also look at that.
810. I have seen the Stendhal festival's organic development, and I think that it is probably an example of best practice. I commend John and Ross for the work that they have done. I also commend

them for keeping the faith in it, because it would have been very easy, particularly as young people, to just walk away from it. They are putting themselves out. They put their own money into it in the first instance. Admittedly, the council came on board eventually, with a lot of gentle persuasion. However, there is a job of work that we could do. We talk about organic development of the arts, but this is really where it starts. This is the showcase for these guys. The new cultural centre is giving an opportunity for young artists and for the local college to showcase their arts productions, which is absolutely excellent, and it means the world to them. They deserve our support, and they should get it.

811. **The Chairperson:** Thank you very much for coming today and for providing us with your submission.

29 March 2012

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 Mr David Hilditch
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 Mr Cathal Ó hOisín
 Mr Robin Swann

Witnesses:

Professor Sir George Bain *Ulster Orchestra*
 Mr Dick Mackenzie *Society*

812. **The Chairperson:** We welcome Professor Sir George Bain, who is the chairman, and Mr Dick Mackenzie, who is a member of the board of directors. Gentlemen, you are very welcome.
813. **Professor Sir George Bain (Ulster Orchestra Society):** Thank you.
814. **The Chairperson:** Thank you for responding to our inquiry in the first instance and for agreeing to come to brief us this morning. The usual protocol is that you give an opening statement and then our members will ask questions to open up the discussion.
815. **Professor Sir George Bain:** Thank you very much for inviting us here this morning. I am the chair of the Ulster Orchestra Society and Dick Mackenzie is a colleague of mine on the board. We will make a statement for about 10 minutes and then try to answer any questions that you might want to pose to us.
816. We started by looking closely at your terms of reference. In particular, we noted the emphasis that you place on identifying the potential of the creative industries to secure economic benefit and, in particular, jobs and wealth creation. We believe strongly that the Ulster Orchestra has a contribution to make to that objective with which you are quite rightly concerned. We are working on our business plan, and we will make that a very central part of our mission.
817. Let me begin by describing some of the activities of the Ulster Orchestra. We are a medium-sized employer. We provide jobs to 81 people, 63 of them professional musicians and 18 of them administrators. We have a budget of just over £4 million, half of which comes from the Arts Council of Northern Ireland. Other core funders include the BBC — in some ways, we are almost the BBC Northern Ireland orchestra, and, indeed, we used to be that, virtually — and Belfast City Council.
818. Our expenditure has what economists are fond of calling a “multiplier effect”, in terms of the goods and services that are purchased from the salaries and wages of our employees, payments for venues and hotel rooms, and expenditure of our patrons in bars and restaurants close to where we perform. That is an important point to stress, and one that, I am sure, has come up in other hearings that you have had. Indeed, the Arts Council has done an economic impact survey, with which you are probably familiar, which shows that for every £1 spent on the Ulster Orchestra, £2.41 is returned to the local economy.
819. We give about 90 performances a year to over 100,000 people, mainly in Belfast but also in eight other regular venues in Northern Ireland. Indeed, 8% of our audience comes from towns such as Enniskillen, Ballymena and Coleraine, and about 20% comes from rural areas. We are rather proud that our concerts have 80% occupancy. In other words, if they are held at the Ulster Hall or the Waterfront, for example, we fill, on average, 80% of the seats, which is an increase of 4% over the last couple of years.

820. The contribution that the orchestra makes to what you might call the cultural infrastructure of Northern Ireland is often not noticed. It is an invaluable educational resource for schools, the Belfast School of Music and individual students. Indeed, each year, about 30,000 young people in Northern Ireland benefit from the orchestra's education and outreach work. A lot of people think of the Ulster Orchestra and other orchestras, not only here but in North America and elsewhere, as being a concert on a Friday night or Saturday night at the Waterfront or the Ulster Hall, for example. It certainly is that, but it is a good deal more. If the orchestra were to disappear, a good deal of the musical infrastructure of our society would collapse.
821. We also complement and strengthen the work of other bodies, some of which may have appeared before you, such as the Belfast Festival at Queen's, the Derry/Londonderry City of Culture, Northern Ireland Opera, the Belfast Philharmonic Choir, which Dick sings in, and the Ulster Youth Orchestra. That is a pen sketch of the Ulster Orchestra.
822. **We face three major challenges:** managerial, artistic and financial. The last one is the main challenge. As I am sure you have heard from every group that has come before you, contributions from our major funders have at best remained constant and at worst declined. Attracting sponsorship from private and philanthropic sources is extremely difficult at the moment. As some of you may know, I was involved in the fundraising for the new Lyric Theatre. We were very lucky to raise over £18 million for that project. If we had started two or three years later, we would never have done it; the luck of the Irish.
823. We are not here to complain; we are not here to ask for sympathy. We understand the financial realities. We know that, in the current economic environment, public sector funding is being constrained; you know that even better than we do. Although we think that the Ulster Orchestra is very important, we also know that there are many other equally worthwhile claims competing for your attention. The strategic conclusion that we draw from that observation is that we have to help ourselves. In particular, we have to attract alternative sources of income in addition to what is coming from our core funders.
824. Finally, I will say a word about our strategy. We have just employed an experienced development director — that is an American euphemism for “fundraiser” — who has been tasked to work with members of the new development board to increase significantly the orchestra's income from corporate sponsorship, trusts and foundations, annual giving from “friends”, legacies and major gifts from individuals. That will be a very important part of our work in the future. It is something that the orchestra, like many other arts organisations in Northern Ireland, has not done and that we will have to do more and more.
825. Important as this aspect of our work is, it is largely up to us to do it. With all due respect, I do not think that there is a great deal that the Committee or the Government generally can do to help us. Broadly speaking, the tax laws in the UK — not in the Republic actually — are now just as favourable as those in the United States, which is perhaps the home of fundraising. So, it is really over to us in that department.
826. I want to concentrate this morning on a second part of our funding strategy, which, we believe, aligns very closely with your objective of maximising economic and social benefit from the creative industries. We start from the premise that the Ulster Orchestra is of fundamental importance to the economic and social well-being of Northern Ireland. The orchestra adds value to a number of key government objectives. Let me stress three of them: inward investment, education and social development.
827. Hence, as part of our strategy, we have just begun — this has fallen particularly to Dick and me — to engage

- with private, public and voluntary organisations. Our appeal to them is based not on philanthropy but on perhaps the most reliable of motives: self-interest. What can the Ulster Orchestra do to help organisations achieve their objectives by providing value-added services in return for an appropriate fee? That is the message that we are putting across.
828. We are not asking for charity, philanthropy or handouts. We are saying, “You have objectives, many of which we think that we can help you to achieve, and in order to do that we need a fee to cover costs etc”. For example, although the key elements of attracting inward investment are probably financial incentives and a good education and skills base, part of the incentive package must be the quality of life — education, music, theatre, sport and other leisure activities — that Northern Ireland can offer to incoming workers and their families. Indeed, we took note and satisfaction from seeing that the First Minister, when he was in Washington a week or so ago, endorsed that very view in a speech that he made there.
829. The orchestra has a dual role to play in that regard. First, it has a role to play as an ambassador, demonstrating that Northern Ireland is a multi-dimensional society, quite different from the image that it is usually given in the national and international media. That is the first role that we can play. It is a role that is played by many symphony orchestras, and we can get into that later if you wish.
830. Secondly, it has a role to play as a provider of some of the things that demonstrate that Northern Ireland is a fine place to live, to work and to do business in. We have already begun a dialogue with the Department of Enterprise, Trade and Investment on the strategy, and of course we are focusing particularly on Invest Northern Ireland and the Northern Ireland Tourist Board.
831. Our strategy will take time and support from a variety of organisations to produce results. In the meantime, we would find it immensely helpful if your Committee, after due consideration, was able to endorse our strategy and approach and to support it with respect to some of the Government Departments and agencies that we have in mind. Thank you for your attention. Dick and I will do our best to answer any questions that you might have.
832. **The Chairperson:** Thank you very much. Over the past number of weeks, we have been receiving various presentations. One of the themes that has been coming up is the suggestion of a creative Northern Ireland or a creative Belfast and having a hub around creativity. What role could the Ulster Orchestra have in such a hub?
833. **Professor Sir George Bain:** If there were such a hub, the Ulster Orchestra, which is probably the largest employer of creative people when it comes to theatre, art and music, would have a central role to play. I am not familiar with the detail of the proposal, but the economic literature on the location of industries shows that, very often, you get clusters and certain areas where, by having various firms all doing a similar thing grouped together, you get a lot more synergy, a lot more productivity and, perhaps, a lot more impact than you would if they were all spread out individually. As I said in my opening remarks, the orchestra already co-operates very closely and, indeed, in some ways, underpins the musical aspect of various things such as Northern Ireland Opera, the festival at Queen’s and so on. So, if it came to pass, I think that we would play a very central part in it.
834. **The Chairperson:** Outside of your relationship with Queen’s in relation to the festival, what is your relationship with the universities as regards interns and so on?
835. **Professor Sir George Bain:** Interesting. In spite of my history at Queen’s — I have only been at the Ulster Orchestra for the past three months — I do not think that there is a particular relationship there. However, my predecessor provided a completely

new board for the Ulster Orchestra. All of us have joined since 1 January. One person, in particular, Iris Belshaw, has considerable expertise in human resources, and, funnily enough, she brought forward a proposal at the last board meeting that we should develop an intern scheme because there is a crying need for it. Having been on the board of the Lyric for five years, I can say that that is the case. A large number of people are trying to get into creative industries but are in a catch-22 situation. They apply for a job and do not get as far as the interview panel because one of the essential criteria is experience, and they do not have any. Hence the idea that you can have an internship. The Lyric had one or two just as I was leaving for the Ulster Orchestra. It is an extremely good idea, and, by coincidence, Iris put forward a paper proposing an internship programme to the board meeting last week. It should not be restricted to people in universities, because one interesting thing is that, generalising on the basis of the Lyric experience, a lot of the roles that are performed in production do not necessarily require university degrees. There are production roles of one sort or another. So, that brings a very positive balance.

836. **Mr Dick Mackenzie (Ulster Orchestra Society):** The professional musicians in the orchestra are part of the teaching process at Queen's and Jordanstown in their departments of music. That is an informal relationship between the professional musicians who are teaching their students, and a number of the players in the orchestra have come from the department of music at Queen's.
837. **The Chairperson:** The term "creative industries" covers an area that is very broad and quite diverse. It includes music, digital formats, fashion, architecture, and so on. It is incredibly broad. However, it is also rather fragmented in the sense of the number of Departments that are responsible, including the Department of Culture, Arts and Leisure (DCAL), the Department of Enterprise, Trade and Investment

(DETI) and so on. What is your opinion on having much more collaborative working or an integrated structure?

838. **Professor Sir George Bain:** Very positive. That is exactly what I was hinting at. I mentioned two or three areas, and it is quite clear that, in our judgement and in that of the permanent secretary — I met him recently — we have a contribution to make to the work of DETI, particularly to Invest Northern Ireland and the Tourist Board. It is also extremely obvious that we have a contribution to make to education. Indeed, as I said, if the orchestra or, more importantly, the players were to disappear, a good deal of the musical tuition and infrastructure of Northern Ireland would disappear. What is perhaps less obvious but still important is that there is also a considerable contribution to be made in health and welfare, the Prison Service and in justice. Dick, as a former civil servant, could probably name even more areas.
839. However, the problem is, as we are finding now, that there is not any central co-ordination, and each area is quite discrete. We go to see the permanent secretary in DETI and then go to see the permanent secretaries in Health, Social Development and so on. A more coherent approach would be useful. Almost every area contributes to the creative industries, in a way; at least, most Departments do. If you are trying to make Belfast and Northern Ireland stand out, you would get more bang for the buck, as North Americans say, if you had a more synergistic approach.
840. **Mr Swann:** I want to follow up on what you said about synergies. In your paper, under the heading "Champion Synergies", you make a proposal for a cultural tsar. What would be the role of such a tsar? What teeth would that tsar have?
841. **Professor Sir George Bain:** I did not draft this paper, and I am not sure that I am in favour of tsars myself. They seem to have come to a sticky end in general. However, I am sure that it would be useful to have greater co-ordination, and, if by that you mean a co-ordinator,

- that would be more complementary and supportive of what the Chairperson was saying. That is about as far as I would want to take that proposal.
842. **The Chairperson:** You are not going to volunteer for that role?
843. **Professor Sir George Bain:** No. I did not even want to volunteer to be chairman of the orchestra. I have, supposedly, been retired for eight years.
844. **Mr Swann:** My question was more about whether you would see that as a role for the Minister rather than another individual. If you disagree with your own paper, I will not hold you to it.
845. **Professor Sir George Bain:** No; it is a fair point, and I am happy to illustrate it. When I look at the Department of Culture, Arts and Leisure, I see a very widely based Department. For example, where I live out in south Antrim, for reasons that I will not go into in detail, fishing became quite an important issue. The Glenavy river had been polluted for 50 years, and who looks after fishing? Lo and behold, I discovered that it is the Department of Culture, Arts and Leisure. Of course, fishing is part of the broad scale of things, but I would not see it coming under the heading necessarily of a cultural tsar or something of that kind. The Chairperson was saying that it is the job of several Ministers or several permanent secretaries. The cultural industries spreads across almost every Department, and, hence, I think that there is a role for a co-ordinator.
846. I am amazed at the extent of the areas that DCAL covers. I think that to some extent, although members will be better informed, some areas have been put there partly because there is nowhere else to put them all. Another example, which I have used over the years, is the Public Record Office of Northern Ireland (PRONI). I suppose that it is part of cultural or historical life, but a lot of people, including me, once upon a time, would use it for genealogical research. Somehow, it seems a little different from talking about theatre, music or whatever.
847. **Mr Hilditch:** I want to ask you about the orchestra and potential links to the film industry. While there is potential there, it seems that we have lost out. How can that be readdressed?
848. **Mr Mackenzie:** Perhaps I could answer that. I was the interim chief executive of the Ulster Orchestra for three months at the end of 2010. During that period, I made contact with Northern Ireland Screen, which I found to be a very forward-thinking organisation. At that time, it was involved with the first series of 'Game of Thrones'. My pitch was that the series needed a soundtrack, and I asked Northern Ireland Screen whether it had thought about using the Ulster Orchestra.
849. We will continue to have that dialogue, although there are some difficulties in doing it. For example, the business of making a soundtrack for a movie or a video is quite complicated. At the moment, we do not have a studio in Belfast that can do it. There are studios all over London that can do that kind of work, and London has orchestras on tap. So, it is a challenge to try to do it. However, we started the dialogue when I was there, and that dialogue with Northern Ireland Screen will continue. 'Game of Thrones' is now in its second series; I think that it starts next week. Again, the soundtrack was done in London, where there is the infrastructure. The closest that we come to that kind of studio is studio 1 of the BBC in Ormeau Avenue, but it does not have all the additional work that you need. I do not understand the technology, but the chief executive of Northern Ireland Screen explained to me that the infrastructure needed to do a soundtrack is quite complicated. We will continue the dialogue.
850. I want to refer to the point about having an overall person for the cultural industries. My experience of going to individual Departments has been that the expertise of someone such as David Sterling in DETI was quite energising. He was very clued into the objectives of what industrial infrastructure is needed in Northern Ireland. Sometimes, if you

- think about one person looking after everything, there can be a dilution of interest. I have not found it to be a disadvantage thus far in working out the strategy to go to the individual Departments.
851. **Mr Hilditch:** To the lay person, with the film industry potentially being on the increase here, it looks like a natural progression to do that sort of work.
852. **Mr Mackenzie:** Absolutely.
853. **Professor Sir George Bain:** It would be a very important part of the work of, say, a London orchestra. It is also part of the work of local composers and that sort of thing. If you get the ‘Gramophone’ every month, you see that there is a section on film music. An extremely popular part of the Ulster Orchestra’s evening concerts is film music; everything from ‘The Bridge on the River Kwai’ to ‘The Magnificent Seven’ and some of the other great classics. Some people turn their nose up at that sort of thing, but it is an extremely important part. As we all know, as the film industry is expanding and is using the premises down at the Harland and Wolff Drawing Office, there is huge potential. As Dick was saying, although I am nowhere near as knowledgeable as he is about it, it requires investment. If you could make the investment, would it not be cheaper and more effective to do it here rather than London? I lived there for eight years, and everything is more expensive.
854. **Mr Ó hOisín:** I will follow up on Mr Hilditch’s question. When looking at the creative industries here, I think that a lot of us realise that, although some things are done very well, we do not have the critical mass to allow things to be done as perhaps they should be done. What cross-fertilisation or co-operation exists on an island-wide basis, which would obviously be cheaper than taking things cross channel, in respect of working with the National Symphony Orchestra and projects with RTÉ, whose budget would be a lot bigger than the like of BBC NI? I do not see any evidence of that in the document. As you say, Sir George, you
- are not the author of it, but maybe you could —
855. **Professor Sir George Bain:** I am much happier to take ownership of and to speak to that; it is a very good question. Correct me if I get this wrong, Dick: historically — that is, until very recently — there was very little North/South co-operation. I was previously, for about a decade, closely associated with Barry Douglas and Camerata Ireland. The whole rationale and defining principle of Camerata Ireland is North/South. That has not been the case here. However, starting this year, I think that I am correct in saying that, for the first time, there has been a joint concert with RTÉ —
856. **Mr Mackenzie:** It was just three weeks ago.
857. **Professor Sir George Bain:** — and the Ulster Orchestra. That is seen as the beginning, I hope, of much greater co-operation between the two. The arts budget, as you know only too well, of the Republic is under the same sorts of pressure as the arts budget here in Northern Ireland. RTÉ’s budget is under pressure in the same way that the BBC’s budget is under pressure. So, there is a lot of scope for that. In addition to the RTÉ orchestra, the Republic has, of course, a chamber orchestra. That is something that I hope will develop.
858. **Mr Mackenzie:** Up until about three years ago, as part of the ambassadorial role that George was talking about, there was an annual visit of the Ulster Orchestra to the National Concert Hall in Dublin. That is touring, so there is overnight expenditure. One of the difficulties with our funding regime at the moment is that we have had to cut out touring, even to Dublin. That is something that we are looking to reintroduce as part of our ambassadorial role.
859. Depending on the repertoire that we are playing, the Ulster Orchestra may need players in addition to its 63 players. Very often, the first port of call for those additional players would be players from the South.

860. **Professor Sir George Bain:** To be honest, I think that this is probably more by chance than by design, but one of the new board members is Simon Taylor. Going way back, Simon worked at BBC Northern Ireland. He then became the chief executive of Bournemouth Symphony Orchestra. Currently, he is chief executive of the National Concert Hall in Dublin and has been for the last year or so. He is on the board and was put there mainly because of his artistic knowledge of the repertoire. He chairs the artistic committee. Again, that is something that will probably enhance co-operation North/South. The Ulster Orchestra has not toured for over a decade now. We would certainly be keen to begin touring perhaps locally — locally being this island — before we start touring across the Atlantic, the Irish Sea or the Channel.
861. **Mr Ó hOisín:** Chair, you and I had the pleasure of seeing the Youth Orchestra some time ago. You saw them in Belfast, and I saw them in Derry. I was very impressed by their performance of Rachmaninov and various other productions. What percentage of the Youth Orchestra will go through to what is, I suppose, the first team? I was certainly impressed with their performance, and I am sure that you were too.
862. **The Chairperson:** Absolutely.
863. **Mr Mackenzie:** I am glad that you said that. I was the first chairman of the Ulster Youth Orchestra for 10 years, from 1993 to 2004. The answer to that question is this: very few. I can think of two people, a brother and sister from Newry, Joanne and David Quigley. Joanne has made it as a front line professional violinist and plays in Edinburgh. David is now a concert pianist, and he played with the Ulster Orchestra a few weeks ago. I think that two of our local players at the moment came through the Ulster Youth Orchestra. Most of the Ulster Youth Orchestra players are taught by the professional musicians in the orchestra.
864. **Professor Sir George Bain:** Unlike Dick, I did not chair it, but about five or six years ago, the Ulster Youth Orchestra managed to bankrupt itself —
865. **Mr Mackenzie:** That was after I left. *[Laughter.]*
866. **Professor Sir George Bain:** It was another colonial who managed to pull that off. The Arts Council asked me if I would sort them out; I know more about finances than I do about music. I discovered that a very large number of the players do not see themselves as being professional musicians; you are obviously familiar with that. I remember once that they wanted to do a photo shoot and wanted me to have a violin in the photo. I asked the youngster who gave me the violin what he was up to. He said that he was reading maths at Cambridge. This was a local lad who had gone to Cambridge, and there he was, playing in the Ulster Youth Orchestra. I think that that is wonderful, particularly given the way in which musical education has been decimated over the past decade or so. It was really good to see that we could get people who were prepared to put a lot of time and effort in. You know what they earn each year. The orchestra was doing a Mahler symphony and had two weeks to mug it up and get it going. Here was somebody who was doing maths at Cambridge, but it could have been at Queen's or the University of Ulster. He had no intention of being a professional musician, but music was an important part of his life. I think that that is great. The second point is that the Ulster Youth Orchestra and the Ulster Orchestra will be jointly performing at the BBC Proms in the summer.
867. **Mr Irwin:** I welcome the fact that you intend to build stronger relationships with business. Sponsorship from business accounts for a small proportion of your income.
868. **Professor Sir George Bain:** It is a very small proportion — 4%.
869. **Mr Irwin:** We have found with other groups that increasing private sector sponsorship is quite difficult. How do

- you propose to increase that or to put pressure on?
870. **Professor Sir George Bain:** When I retired, I started to play the piano again. Unlike when I was a youngster, I managed to get to grade 8. When I was invited to join the board of the Ulster Orchestra, I thought that perhaps they wanted me to take over from Barry Douglas for a cut price fee. Alas, that was not the case. I was invited because I had been in the fundraising business for 20-odd years, ever since I joined the London Business School in 1989. University presidents belong to the begging classes, although, increasingly, we tend to do it pretty professionally.
871. Fundraising or “development”, as Americans are fond of calling it, is certainly not a science. It is an art, and there is a systematic way of going about it. One of the main things, and I feel very strongly about this and get very annoyed about it, is to actually go about it. This is self-promotion, but the Lyric had a funding challenge when I joined, and I was told that it required £12 million, but that became £18 million. It was the biggest private fundraising effort that had ever been undertaken in Northern Ireland, and it was successful, partly because the environment was successful. It was not due to me. There was a whole range of people involved, including Mark Carruthers and, in particular, Angie McCluskey, who you have probably never heard of. She was development director at the Lyric Theatre. The key is to have somebody who is a professional and to have aggressive Canadians like me who are not afraid to accost people and ask them for money. It is amazing how many people are afraid to ask for money. It is almost as if you are panhandling.
872. I always think that it is an honour to be able to represent a cause that you think is really worthwhile and to ask people to contribute to it. Therefore, we have taken the first step. Angie is still connected with the theatre, and she did not want to come across. In any case, the post was advertised. We now have the equivalent of Angie McCluskey at the
- orchestra, and she has been there for a month. We are designing a campaign etc. But I will make no ifs or buts about it: it will be difficult.
873. The banks were one of the big funders. The orchestra is fairly prestigious, and banks used to be pretty prestigious until the point came when people were afraid to even mention that they were bankers. Banks wanted to be associated with similar organisations, but now they do not want to give money at all, even though they have it. They do not want to be seen to be doing that when they are laying off staff and making redundancies. Therefore, it is going to be difficult.
874. I am a non-executive director with Canada Life and Great-West Lifeco — those are the only two things that I still do. If you want to know one variable model for predicting the success of an insurance salesman, it is the number of calls that he or she makes. When you think about it, it is obvious. The more calls that you make, the more people that you ask, and, all things being equal, the more successful you will be.
875. What I have found with arts organisations — this is true in London, where I lived for eight years, as much as here — is that a lot of arts people think that they have an almost God-given right to exist and that arts is a good in itself. It may be a good in itself, but many other things are good in themselves. If there is a God, it is a God who helps those who help themselves. Therefore, you have to go out and ask and ask. We will do that. It is a challenge, and by definition, a challenge is something that you can fail at, but we will do our best not to fail.
876. **The Chairperson:** It is interesting that you find that a challenge. The Ulster Orchestra is a brand name and you have a resource so that you can then call on someone who is a professional to try to assist you. However, the difficulty across the sector generally is the fact that you have a lot of artists who are sole traders and not entrepreneurs. That is not their expertise; their expertise lies

- in creativity, be it within music or art. So that is a massive challenge for them.
877. **Professor Sir George Bain:** We will not be asking the players to do the asking. We will put together a development committee —
878. **The Chairperson:** What I am saying is that, outside the orchestra and in the arts in a broader sense, there is that difficulty for those outside of the orchestra.
879. **Professor Sir George Bain:** Anyone who becomes chief executive of an arts organisation today, in the same way as anyone who becomes a vice chancellor of a university, will be asked at interview about raising money. Certainly, that is true of vice chancellors. Of course, American presidents spend almost all their time raising money. An important aspect of the job is: “Are you prepared to raise money? Are you able to raise money?”
880. The point you raise is a good one. We are now going to be looking for a new chief executive. We will not be able to afford both an artistic director and a chief executive — the latter being defined mainly as a manager. The Lyric Theatre, for example, has both an artistic director — Richard Croxford — and a manager — Ciaran McAuley. Even if that were desirable — and there is always the potential for conflict between the managerial aspect and the artistic — we cannot afford two positions at a salary adequate to attract the right kind of talent. We will have to settle for one. There will be a balance struck, when we draw up the job description and start the interviewing, etc, as to how much we weigh the artistic and how much the managerial.
881. Certainly, some of this will fall to the chief executive. The very reason I was asked to join the board was not because of my musical ability, which is extremely limited. It was because I had experience of fundraising. Then you put together other people.
882. The main difficulty here, in Northern Ireland and indeed on the island, is that
- it is a small place. There are relatively few of what are called “leadership gifts” that you can hit: people who are really in a position to give you a large sum of money. The way you raise that kind of money is not by rattling tins on a street corner on a Saturday trying to collect. You have to get a lot of it through major gifts. A major gift, in this context, is probably — and it varies with the context — £100,000 or something like that. You are not going to do it by raising small amounts of money such as my 50p from my change at the newsagent which I give to the cancer trust or whatever.
883. So the main difficulty here is the small population base. It is the same difficulty that the orchestras in the South face. They get a much higher proportion of their income from the box office. Across the water, a London orchestra gets a much, much higher proportion of its income from the box office than we do. The simple point is that we are dealing with 1.7 million people and three point whatever million in the Republic. That translates into the funding game as well.
884. However, at Queen’s University and the Lyric Theatre we raise money; other people raise it; and we will do our best to do so. Mainly, too, there are two kinds of approaches. One is through straightforward philanthropy: you go to someone who has a huge interest in music and you hope that, because they are wealthy, they will support it. The other approach is through self-interest. If you can somehow find an alignment with the objectives of a Government Department or a private company, in exchange for helping to promote those objectives, they will pay you a fee. That is what Dick and I are particularly working on.
885. **Mr McMullan:** Thank you for your presentation. Why has it taken so long to see the connection between here and the South of Ireland as a more joined-up approach?
886. **Professor Sir George Bain:** I have no idea really. The context —

887. **Mr McMullan:** The whole context seems to centre around funding, and I am worried about getting somebody in with the right face who could raise the funds, because [Inaudible.] Sometimes you wonder if that is why the President of America is President; because he can raise money rather than because of his political aptitude.
888. **Professor Sir George Bain:** It certainly does not hurt, does it? *[Laughter.]*
889. **Mr McMullan:** That would worry me a wee bit. Have you looked at lobbying or have you done any lobbying? We talk about working with Northern Ireland Screen and the likes of that there. The other tax breaks we do not have here are for television, etc. I noticed in your —
890. **Professor Sir George Bain:** Tax breaks for what?
891. **Mr McMullan:** For television. We do not have the same tax breaks here as there are in the South of Ireland. We do not have any here at all, except for the big screen. You said that the real challenge in the marketplace is increasingly driven by digital technology. Have we done any lobbying at a high level to see whether that can be changed for here? It is one of the things that we have been discussing here, and it seems to be the way forward. To get the likes of ‘Game of Thrones’ and that there in or other television in, you need these tax breaks and incentives that we do not have here.
892. Part of the problem is that production costs are a lot higher here than in England or anywhere else, first, because the venues here are more expensive to hire. We do not have the entrepreneurial skills that they have in England; we have to take them over. You seem to be pushing against the tide to try to get round that. The relative things that you would need to change is something that we have been looking at as well — the tax breaks, etc. Would you not be far better to push this more into an all-Ireland context? As Mr Ó hOisín said, we do not have the critical mass here and we need to be pushing this as a bigger market to compete with the likes of Europe, America or London.
893. I was very interested when you talked about the 11-council model, which is part of the RPA coming in. You said that bigger councils might have a bigger budget. I do not think so: we will be going much the same again because of the economic downturn. Budgets will be very tight.
894. **Mr Mackenzie:** I am not an expert on the tax breaks. I do not know what the tax situation is.
895. **Professor Sir George Bain:** The recent Budget gave a tax break to film, did it not? The UK Budget.
896. **Mr McMullan:** We are not in line with the tax breaks they have in the South of Ireland that can attract television.
897. **Professor Sir George Bain:** I must say that I am ignorant of this.
898. **Mr McMullan:** I think the way forward is for you to start lobbying from there. We have to get those tax breaks to get the bigger companies in to spend the money. Even the BBC has moved out of here and down South to produce in other parts of Europe that give the tax breaks, so we are losing out on that.
899. **Professor Sir George Bain:** It is an interesting point, and one we can follow up.
900. **The Chairperson:** OK. Is that you finished? I thought you were pondering your next question.
901. **Mr McMullan:** I was on a roll there, but I think I will stop. Thank you.
902. **Professor Sir George Bain:** Thank you for the idea.
903. **Mr McGimpsey:** Once upon a time, I listened to your arguments about resource, and it is imponderable how much should come from the taxpayer and how much you should earn yourself, so I do not want to get into that. I do not think there are any answers down South or anywhere else. It is about tapping into society a bit better. You do

- one orchestra production a week in the Ulster Hall over six months. Maybe you need to up your number of concerts and so on; I do not know. If you are doing a three-hour week, that is not a very heavy commitment, I have to say. It may be that you can generate income better than that. I do not know; I do not want to get into that.
904. We are talking about unlocking creativity, and the key thing is that what you are providing in the Ulster Orchestra is a fantastic resource for society. It is about how we connect with our young people in schools in particular, and you light that spark there. It is not just about listening to music, because our young people listen to music for hours a day from an early age. It may not be your music; of course it is not. It is popular music, and they listen to music for hours a day. The other side of it is about learning how to make music yourself, and I think that the Ulster Orchestra has a huge role in that. There is huge potential for the orchestra to work with our schools and young people, through the Department of Education. It is about using and tapping into the skills, abilities and capacity of the Ulster Orchestra and its 63 professional musicians, many of whom are of a very high quality, as part of the Unlocking Creativity strategy. It is about generating interest in that among the young people in school at the minute. How do we tap into that? How well are you doing with it? What is your programme for that? How well received are you? What sort of support and co-operation are you getting from the Department, headmasters and so on to get in there? It seems to me that if the resource of the Ulster Orchestra, which is mainly funded by the taxpayer, was providing that sort of ambition for a lot of our young people, the investment would pay for itself in kind, if not in cash, many times over.
905. **Professor Sir George Bain:** I completely agree with everything you said, Mr McGimpsey. First, just by way of a footnote, there are about 90 concert engagements a year. However, as I think I said in my introductory remarks, the orchestra is about much more than the concerts that appear on a Friday, Saturday or whenever.
906. It is only very recently that I have got into this, and as part of my education, I went across to Liverpool for the Association of British Orchestras conference. Although it is the association of British orchestras, orchestras from the South and, indeed, continental Europe are represented as well. It struck me as true that education and outreach, which is the kind of rubric that it falls under, is an absolutely critical part of almost all orchestras. That is driven in part by economics, which, since it rests on self-interest, I am rather pleased about. Musicians are not well paid; those in the Ulster Orchestra are particularly not well paid. There has not been a salary rise for the past three years because of the budgetary situation. So, most musicians teach, among other things, to supplement their income. There is, therefore, a fantastic resource out here — teaching. However, some of the players do much more than that. For example, the Ulster Orchestra does a lot of work with disadvantaged children. In fact, this year, just as I was coming on board, it held an event at Dundonald, where my wife and I skate, for the kids from Fleming Fulton School, which the orchestra has had a relationship with for 25 years. Those are largely physically disadvantaged kids, etc.
907. There is a great deal more that could be done. For example, there is a project called Sistema that uses music to help children in deprived areas to develop. It started off in the slums of Brazil and has been introduced virtually worldwide. However, it requires a certain amount of capital to get it going. It is being done in Liverpool, but it is not being done here. So, a lot more could be done. We had a full-time outreach and education officer, which Dick might want to say something about in his time. The position has just fallen vacant, but it will be filled again.
908. I would say that by far and away the best argument for keeping the Ulster Orchestra going, besides the artistic

- argument, which you made very well, is the contribution that it can make to education. It already makes a significant contribution, but it could make an even bigger one.
909. **Mr Mackenzie:** Yes, there is an education department in the administration of the orchestra. Last year, when I was there, it comprised two people, one of whom has left to become chief executive of the Ulster Youth Choir. The other person is on maternity leave at the moment, so the position is vacant. The department develops a programme of about 140 different events that are offered to schools. Those will involve either a single instrumentalist, a quartet or a subset of maybe 10 or 15 players. Those are compiled in a leaflet that goes out to all schools in Northern Ireland. The schools then use that as a menu to invite people in over the year. That is the individual school level. There are a number of events that are specifically directed at schools, such as ‘Rain Falling Up’, which everybody has brought to the Waterfront Hall.
910. One of the issues is to encourage all the players to be involved in the project. I say this gently, but not all players are necessarily good teachers. Not all the players engage in the education programme. About 30% of them engage in the education programme, and some are extremely enthusiastic. Ricky Matson, our double bass player, is a great enthusiast and takes a lead. In addition to helping with education, he goes out and does a lot of teaching in schools.
911. There is more work to be done. We are having difficulty at the moment with the maternity leave, but we are about to advertise to bring in another education officer. We were very fortunate with the lad who has now left us. He was extremely good and organised a lot of events in the Waterfront Hall of his own volition.
912. **Professor Sir George Bain:** You asked what we can take from it. Although there is a lot of activity — 30,000 kids etc — my hunch is that it is not done very strategically, in close collaboration with the Department of Education or as part of a campaign of saying what we can do to help you to achieve your objectives. As some of you will be aware, a report on music education that was published in England and Wales recently shows the way that music education has been declining over several years. That is also true here and in the Republic. From Plato onwards, there is a realisation and acceptance that musical education, as you suggested, is a critical part of a more general education.
913. The first stop in the conversations that Dick and I are beginning to initiate is the Department of Enterprise, Trade and Investment, and the second stop is Education. Instead of doing it with Ricky Matson the double bass player and whatnot, which is all highly commendable, we need to take a more strategic approach and get a better funding base so that it can be done on a much bigger scale.
914. **Mr McGimpsey:** You spend your lives chasing the resource. I understand that you need money from the Arts Council, the Department of Culture, Arts and Leisure and so on just to keep the show on the road. However, what is the show on the road for? Yes, it is to do with your concerts, but it is also about getting that resource out and supporting our young people. As far as I can see, the one thing that children love to do more than to simply listen to music is to make music. You guys and your folks can give them at least the rudimentary basics of how to make music. The self-confidence that that promotes in children should not be underestimated.
915. The question is how we make it part of the Unlocking Creativity strategy so that society understands that it is getting a huge benefit from an organisation such the Ulster Orchestra. It should not simply be measured in pounds and pence or a case of, “We give you £10, and you contribute a few quid”. It is about something else altogether, and that is so important. How is that actually working these days? We are 10 years out of it now. It appears that a bit more

- joined-up work and strategy is required from the Arts Council or the Department that all organisations, including yours, feed into.
916. **Professor Sir George Bain:** I completely agree. I am getting to be an old man, and I look back on education. I started in Canada, and my kids went through the system here. I made a decision — can it really be 50 years ago? — to come to the United Kingdom to pursue my graduate work. As I was saying to Dick over coffee before we came in, there are two things that really worry me. One is the decline in the teaching of modern languages, which is unbelievably dysfunctional. That is particularly important when we were not in a strong position to begin with. The second is the decline of music education. The proportion of youngsters playing a musical instrument 30 or 40 years was probably much higher than it is today.
917. There is something I learned in my short duration in the Ulster Youth Orchestra that now seems obvious, although it did not look it at the time. When I was a kid, I learnt how to play the piano. The piano is an individual instrument, whereas a violin or whatnot is more of a team instrument. You do not join an orchestra as a piano player, unless you are as good as Barry Douglas, in which case you come to do concertos and whatnot, but you are not part of 30 violins or whatever it may be. What I began to realise at the Ulster Youth Orchestra, of course, was that the kids did not just benefit from the musical education. It is the same as sport: it is a team exercise. Working in an orchestra or a choir teaches you a whole set of other skills, not just musical skills. It teaches you all the sort of skills that playing on a rugby or football team teaches you.
918. So, both those teaching areas are terribly important and both are in decline. I accept the point that the teaching could be a lot more joined-up and strategic.
919. **The Chairperson:** I thank you for taking the time to speak to us this morning; it was very useful. Thank you.
920. **Professor Sir George Bain:** Thank you for inviting us.
921. **Mr Mackenzie:** The next concert is tomorrow night. *[Laughter.]* I am singing in it, so there you go.
922. **Professor Sir George Bain:** But, some of the concerts are really good. *[Laughter.]*
923. **The Chairperson:** Thank you very much.

19 April 2012

Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
 Mr William Irwin (Deputy Chairperson)
 Mrs Brenda Hale
 Mr David Hilditch
 Mr Michael McGimpsey
 Mrs Karen McKeivitt
 Mr Cathal Ó hOisín
 Mr Robin Swann

Witnesses:

Ms Paula McFetridge *Kabosh*

924. **The Chairperson:** I welcome Paula McFetridge.
925. **Ms Paula McFetridge (Kabosh):** I am the artistic director of a theatre company based in Belfast called Kabosh. We are the only site-specific theatre company in the North, which means that we perform in unusual locations. We do not perform in traditional theatre spaces.
926. We were founded in 1994 and are office-based in the cathedral quarter. We have two full-time members of staff and one part-time member of staff. For an investment of approximately £95,000 we have a turnover of £325,000. That means that for every £1 invested in the company, we generate £3.25.
927. The bulk of our work is divided into four main strands. One of those is major site-specific projects. Our latest was in Limavady looking at poverty in the Limavady workhouse. We also created a major project that told the story of the Jewish community in the North of Ireland, which we performed in synagogues and took to a synagogue in New York.
928. Another strand of our work is cultural tourism. We have a walking food-and-drink tour of Belfast called 'Belfast Bred'. We were commissioned for the opening of Titanic Belfast and did a massive site-specific project there. We also created another Titanic project on the Belfast Barge.
929. Another strand of our work is social cohesion. We are members of the Trauma Recovery Network, and we work with healing through remembrance on projects that look at dealing with the past. We do a lot of work on commemoration. We also have a project that looks at sheltered accommodation for young single mothers called 'Hostel'. It is being performed at the Department for Social Development (DSD) conference next Friday.
930. The last strand of our work is international. We have just launched the first ever theatre app for phones in Texas at the South by Southwest festival two weeks ago, and it has just been launched through the Apple App Store. We have also been invited to go back to America with our project looking at the Jewish community and will do a three-month tour of America.
931. That tells you a little bit about ourselves. A lot of the submissions that you will have received will be about the impact of reductions in arts funding and looking at it from a possibly more negative perspective. However, I thought that I would come to you with nine recommendations. Being a County Antrim girl, I thought that I would make nine recommendations, as we have the nine glens of Antrim, which keeps it all vaguely rounded.
932. My first recommendation concerns the Forum for Local Government and the Arts. We have done a lot of work with it over the years advising local borough councils on how we encourage arts activity and heighten participation. For example, over the past 12 months, for a small investment from government, Kabosh has created product that 15,000 people have seen. We have had 1,500 participants and 150 freelance

- employees, and 95% of them are from the North.
933. The Committee can take a lead as regards the Forum for Local Government and the Arts, and we can look at the cross-departmental value of live arts activity, particularly theatre. We have worked in health, tourism, social development, education, creative industries, the built environment, regional development, employment and learning, enterprise, trade and investment, and it is possible for us to look at the diversification of income strands by working with you to work with other Departments to create portfolio-specific arts projects.
934. My second recommendation concerns Committee attendance at events. If you are unable to attend, you could nominate somebody to attend on your behalf, or maybe a member of your constituency could attend. They could come to see our work and become an ambassador for arts activity, so that we can all start being more vocal and more informed about the impact and value of arts engagement.
935. My third recommendation is to invest in people who are working in the industry. By that I mean that we provide bursaries and workplace internships, and that we allow those who are currently working in the sector to train new people coming through, to improve the quality and quantity of our output. That means that we are investing in our own employees.
936. My fourth recommendation is that we reinstate theatre on the creative innovation fund. When Kabosh wanted to create an app for 'Belfast Bred', we knew that the potential was there and that a theatre app had never been created before. We had to lobby hard to get theatre on that fund. For a direct investment that was matched by Invest NI and was supported by Belfast City Council, we were able to create an app that was launched in Texas and has just been launched in the Apple App Store. That means that people can take a virtual theatrical food-and-drink tour of Belfast from anywhere in the world. The investment was £10,000. By putting theatre back on that fund register, we can develop more apps and create and diversify the audience base for theatre in the North.
937. My fifth recommendation concerns how we look at tourism, and I know that that is one of the priorities of central government. One of the issues as regards the tourism fund is that the minimum amount that a tourism arts project can be before it can apply for funding is £50,000. Over the past four years, we have created tourism product for budgets of £25,000. We need to have a tiered system of funding whereby you can create small-scale animations that are more attractive to our local government, local borough councils, small tourism industries and funds. We have been approached by everybody from the Bangor business development body to Limavady council. When we were up there, that council talked to us about how we could create something specific for that town. If there were a fund in the tourism structure that allowed for £25,000 projects, more of those would happen, and we would increase participation, increase employment and undoubtedly prove the worth and the role of high-quality theatre in the North.
938. There is also an international dimension. I know that there are priorities, but in the past two years, the Arts Council's Artists Abroad fund has been withdrawn. That fund invested £3,500 in Kabosh to go to New York. When we were in New York, we performed at the Tourism Ireland conference in Grand Central Station, we played to capacity crowds and won the First Irish Theatre Festival best production award. We have just been invited to do a three-month tour of America. However, that fund, which was a small Arts Council fund intended purely to facilitate product from here going international, no longer exists.
939. Similarly, there are organisations, such as Culture Ireland in the South, which have proven their worth over and over again in how they take high quality arts into the international market. We need to forge better links with them and we

- need to do some joined-up thinking. We need to look at how we work with bodies in the South so that we have North/South engagement in arts activity. The Druid Theatre Company in Galway and the Abbey Theatre Company in Dublin tour extensively internationally and they have the experience, the knowledge and the skills. We should pair them with arts organisations in the North. That does not cost money. All we are saying is that they are the best at what they do, so we should pair them up with the best in the North. Let us do some joined-up thinking in the same way as we look at cross-departmental investment.
940. For years, the British Council has been doing showcases at the Edinburgh Festival. Culture Ireland does showcases all over America of the best high quality theatre that exists. That is how we get promoters to see our work and how we get international journalists to write positive articles about here. It is how we increase our profile, provide better employment and increase the quality and quantity of contracts. It is a win-win situation with those showcases. Organisations such as Culture Ireland and the British Council fund showcases. The Belfast Festival and the Northern Ireland Theatre Association (NITA) have constantly been talking about why we do not do that in the Belfast Festival, and about having a weekend dedicated to the cream of our local arts activity, particularly theatre, to which we can invite international journalists.
941. I am just back from Georgia, Azerbaijan and Turkey. I was invited on a three-week tour to look at conflict zones and how we use theatre to reanimate contested space, give people new possibilities and how we help people imagine new futures. I have been invited to go to Russia, Poland and the Ukraine in August for another three-week trip. I had never done those types of trips before. I was approached because of the work that we do and because I sit on the Maze/Long Kesh arts reference group.
942. We are the best at conflict resolution when it comes to arts engagement. It is an unbelievable way for us to stop
- the cycle of violence, improve education and research internationally, nationally and locally, and take a lead on that. The Arts Council of Northern Ireland and the Assembly invested in three people from here being part of that international Intercult trip. All that we need to do is to remain at the table. I got a phone call the other day to ask me to do the City of Culture for the next three years, starting in northern Sweden in 2013, heading to San Sebastian in 2014 and doing the next one in 2015. It is an incredible opportunity. All that we need to do is say that we are committed to Intercult and international arts engagement. Let us take the lead in it; we have the people who can do it. It does not cost us money; it is purely about us saying that we are committed and that we are going to promote our artists in that area.
943. The Belfast Visitor and Convention Bureau and the Northern Ireland Tourist Board have a scheme whereby they pay for international journalists to come here. They provide travel and accommodation if those journalists are going to write articles about the North. Let us do the same thing for reviewers — for people who critically analyse high quality arts. Let us pay for them to come and review our shows and send the word out to the rest of the world. A scheme exists, but theatre is not on that agenda when it comes to critical analysis of our work.
944. We have schemes for audience development. Audiences in Northern Ireland have been introduced to a scheme called Test Drive the Arts, which has been running for two years and has been a massive success. We have developed our audience through the Kabosh mailing list and friends of the company. Our audience has gone up by 50% in the past year and a half because of the communications skills that we have and the tools that we now use, and because of schemes such as Test Drive the Arts. We must invest in our communication tools, such as how we archive our shows, how we digitally animate our shows, how we use the World Wide Web and social media to send out newsletters and improve

- the quality of how we communicate with our audience from grassroots to international.
945. As has been flagged up before, our local media is an issue. We need to encourage our local media to subsidise listings. In the South, you go to the back page of the 'The Irish Times', and every single show that is happening in the South is listed. That is subsidised. If something similar could be done in the 'Belfast Telegraph', 'The Irish News' or the 'News Letter', that type of profile would become a regular thing that people would get used to, similar to the way that there is a sports round-up on the news every night. If we knew that, for two minutes before the end of the news every night, there would be one arts story, it would start to get into people's mindsets. In the same way that you become ambassadors for the arts, we encourage our local media to become ambassadors for the arts. We provide the training for them to become more knowledgeable about what they are writing about.
946. Similarly, look at our heritage sites and our contested spaces. Then look at what the Office of Public Works does in the South. Because it does not have the resources to invest in ongoing theatre and arts activity, it works with arts organisations to create site-specific projects to animate those sites. That includes everything from Kilmainham Gaol, to Farmleigh House, to Spike Island off the coast of Cork. We can do exactly the same in the North. Kabosh has worked with National Museums Northern Ireland, and we have done projects at Stormont regularly. As I said, we did a project in the synagogue in north Belfast and saw the number of people who had never been in that synagogue before. We can work with organisations that actually exist and not ask them for money but say that, if they work with arts organisations and give us the site and work with us to create something that meets their needs and those of the arts organisations, we can access new audiences. We can bring people into those spaces who do not normally go to them. Then, we are hitting various agendas. We are looking at cross-departmental engagement, yet again.
947. My ninth recommendation concerns economic stability. Again, I go back to the cross-departmental aspect of it. Let us work with the other Departments and say that they can use the arts to enhance their portfolios and meet their needs. Let us look at investment from different Departments, rather than it solely coming from the Department of Culture, Arts and Leisure.
948. I am a big champion of a revival fund. Inevitably, the initial investment in an arts project is high. That is the first time you commission a play or a design or go into rehearsals. You can rehearse for three or four weeks and revive that show. You already have the script, set and costumes. You can re-rehearse it in a week. A revival fund makes economic sense. What you are then doing is multiplying the contracts, increasing employability and ensuring that more people see it. All of that equals value for money. A revival fund has existed through the Arts Council in the South for many years. Culture Ireland has championed it for a long, long time. It is simple enough for us to get advice on where the pitfalls are with it and what its strengths are. Let us look at how we can possibly introduce that in the North.
949. Also, let us look at how we can have high quality theatre at international conferences and events. Every time Kabosh has produced or performed our work at any international or national conference or event, we have been invited back. We have been asked to go back and do it again, and we have been asked for advice.
950. 'Two Roads West' is a project that we did in a black taxi in west Belfast for an audience of five that travelled through the peace wall and looked at conflict resolution. The model for that show is currently being looked at in places from Quebec to the Gaza Strip. Those are places where people move from one zone into another that they do not feel

- that they have ownership of. Theatre is seen as a safe, inclusive means of being able to raise questions that are not otherwise being raised.
951. Please, when visitors come here, try to bring them to indigenous arts events. If you are not sure what would suit them, lift the phone to any of us, and we will advise. We are not likely to encourage you to go an event that will not suit the person who is with you and which does not meet your needs. We understand our work, and we understand our audiences. We are all very good at what we do. Lift the phone and ask us, and say, "Listen, I have somebody coming over. They or their family are very interested in sport, conflict resolution or musical theatre." Whatever it is, there will be something happening in the North that has been made here, is absolutely unique to here and then you can become an ambassador by bringing them to see our work. We do post-show discussions, we publish scripts and programmes. We can enhance their experience.
952. Let us work closely with Arts and Business. Arts and Business has been invaluable to us, particularly over the past three years. Kabosh recently won the Arts Organisation of the Year Award. It recently won the Business Enhancement Award. We are a small-scale company. There are two-and-a-half of us. Our annual investment is £95,000. We have become world leaders in site-specific theatre that meets cultural tourism needs and can deal with conflict resolution.
953. Please re-look at the Per Cent for Art scheme. A percentage of everything that is built in the North, from a road to a building to whatever it is, can go into investing in permanent or semi-permanent art. That could be a play-writing commission or a visual arts sculpture. The visual arts sculptures across the South do not cost money because they are built into the cost of building those things, and that percentage is set aside for arts engagement.
954. I know I have talked at you, and I am sorry, but I wanted to get through the nine recommendations. I suppose that, like everything, like that sneaky tenth glen, that sneaky Glenravel Glen, my tenth reason is the answer to: why do it? We change people's lives. We make a difference. We make people imagine new possibilities. We make people look with different eyes at contested space and space that they do not feel ownership of. We have helped to break the cycle of violence. We are creating unique, indigenous work here that when visitors come to see it, they are blown away. They send us e-mails constantly, saying, "We would like another trip."
955. We are good at what we do, and there are a lot of good people doing what they do. We work very proactively within the Northern Ireland Theatre Association and with Equity. We have sat on panels in the Arts Council. We provide mentoring for young fledgling companies coming through. We work with Queen's University and all the regional colleges. We really try to be vocal about the impact and what we have learned through what we do. I have worked in this industry for 25 years. That is me — I will take any questions.
956. **The Chairperson:** Thank you, Paula. You certainly covered a lot of ground.
957. **Ms McFetridge:** Sorry, yes; I talk very quickly.
958. **The Chairperson:** You are incredibly enthusiastic as well. One suggestion that has been made throughout this process is, perhaps, the establishment of a creative hub for Northern Ireland, similar to that in Scotland. How do you think that could work here and have you done any work with Creative Scotland? Perhaps you could give us a comparison in relation to theatre particularly.
959. **Ms McFetridge:** Sure. I was very heavily involved with the National Theatre of Scotland in the early days. Obviously, as I am sure you all know, it is a non-building-based organisation. It is an administrative base that works with existing producers across Scotland to enhance the impact and scale of their work. It has been very successful.

960. What is interesting is that it is probably more effective to look at National Theatre Wales because Wales has, obviously, a smaller land mass and smaller grouping of people. They learned from the mistakes in Scotland and they have a much more rural spread. They have created projects that have toured to everywhere from working men's clubs to mining villages, youth centres and community centres. It has been very successful. What is also interesting is that it has nurtured the next generation of arts makers, and that has been the massive success of it. It has also encouraged that new generation of arts makers to work within the second and third-level education system. You then develop peer-mentoring schemes. Each of the more established companies also takes on a fledgling company. You are not creating new administrative bases. You are not in places where computers and phones sit and you have endless administrative staff. You are investing in people who have already proved their worth and you have encouraged them to move it on.
961. I ran the Lyric for five years around the time when we were talking about the rebuild and I was part of the whole process for choosing the new architect, designer and all that, and why we stayed on the same site. One issue that came up was whether there was a place for a theatre administrative base in the North responsible for touring throughout. The regional theatre body in the North recently produced 'Carthaginians', and that came out of the Millennium Forum in Derry and was an amalgamation between the Ardhoven in Enniskillen, the Burnavon in Cookstown, the Riverside in Coleraine, the Millennium Forum in Derry and the Lyric in Belfast. The show also toured to Dublin, and there is a very strong chance of it going to Scotland and being part of the Welsh festival of new Celtic work. It toured for 13 weeks and provided employment for approximately 15 people, including cast and crew, for a 24-week period. It came out of an administrative base and was an example of joined-up thinking. They also put bursary systems and training schemes in place. The models exist, and I support that wholeheartedly. We do not need to create new administrative bases, but we need to be very careful about how we nurture that new generation of talent.
962. **The Chairperson:** If there were a Creative Northern Ireland or Creative Belfast, as such, who should take the lead on that?
963. **Ms McFetridge:** One of the first things to do would be to have an advisory committee that could include representatives from this Committee. We would need representatives from the independent theatre sector, such as Kabosh, Tinderbox or Prime Cut — those companies that are not building based. It would be important to have the Lyric at the table and to have a couple of the regional venues. The Northern Ireland Theatre Association is very well placed to take the lead because of its membership base: it has everything from individuals to venues and is completely spread across the North. It also does a lot of work with the Irish Theatre Institute, which is based in Dublin, and has links with Creative Scotland.
964. At the last annual conference, representatives from Creative Scotland and the National Theatre Wales were over to talk at the Baby Grand, and, this year, at the Lyric, Audiences Northern Ireland, the Northern Ireland Theatre Association and the Irish Theatre Institute are hosting a joint conference for three weeks in the first week in June. It will be a very interesting time to maybe have a side discussion about whether that is possible and how people think that it could progress. I am more than happy to table that if the Committee would like me to.
965. **The Chairperson:** We have found that creative industries has a very broad definition and there are so many strands included in it. That is obviously then reflected in the number of Departments and bodies that are also to be included. Do you feel that that has presented a problem for theatre and for the creative

- industries generally — the fact that it has such a broad definition?
966. **Ms McFetridge:** I do not, actually. I think that it is important that we do consider it as an industry. That is one of the issues when we talk about funding, as opposed to investment. I do not think necessarily that we would go cap in hand, looking for funding. It is important that we keep saying that, yes, we are investing in the creative industries. As I said at beginning, £1 invested in Kabosh generates £3.25. I think that, yes, every time there is new terminology, we need to re-educate ourselves and we need to inform ourselves and we need to get used to using that language.
967. We most definitely see ourselves as an industry. There are umbrella organisations across the North that deal with each sector and, from the outside, sometimes there is a perception that we are all at each other's throats and see ourselves as competition, but we do not. I see that Oh Yeah is here and I have worked with Stuart on a regular basis. Stuart works in music and I work in theatre, but we both recognise what each other does, we applaud each other when we have successes and we are more than happy to talk when things do not work.
968. There is joined-up thinking between us, and I do not see it as an issue. I see it more as a positive; a benefit. The fact that we are all so vocal and so passionate about what we do is positive. We choose to base ourselves here and to work here because we believe in what we are doing. If we were in it to make money, we would not be working in the creative industries in the North. As I say, I have worked in this area for a very long time. I think that there are a lot of movements to be made. It is very important that theatre is still one of the genres listed when creative industries is talked about because sometimes it can be digital animation, music, film, visual arts, and sometimes we tend to lose theatre because we do not see it fitting neatly within that. But, as I said, we need to get better at how we mutually educate and inform each other.
969. **Mr Swann:** Thanks, Paula, for your obvious enthusiasm and for your promotion of the nine glens of Antrim, which is probably one of the most fantastic tourism attractions in Northern Ireland and a part of my constituency.
970. You gave us nine points as to what could be done. My blunt question is why they have not been done, and who has been holding them back?
971. **Ms McFetridge:** We have been doing them. Individually, we do it within our companies. I am just embracing the opportunity of sharing with the Committee what I see as important. Those nine things exist within the Kabosh business plan. They are nine things that, on a weekly and monthly basis, we tease apart with our board as regards how we do it. As for the Forum for Local Government and the Arts, as I said, I have worked tirelessly over the past 10 years to keep pushing that agenda and to keep saying, "Let us keep arts on the agenda." On North/South collaborations, I have done a lot of work with Culture Ireland and I have been an ambassador for them to America a couple of times. Every time I am there, I wave the flag about here, I talk about branding and cultural development. I make sure that it is on the agenda.
972. What I am saying to the Committee is that I can continue to do it, but if we all start pushing the same thing, it becomes stronger. The cross-departmental argument is something that this Committee could really take the lead on and work with us to encourage other Departments to see theatre as a means whereby they can promote their own portfolio and enhance their own beliefs, visions and strategies. That is something that this Committee could undoubtedly do.
973. **Mr Swann:** There was talk of setting up committees and boards. One of the presentations we were given previously referred to a culture tsar for Northern Ireland.
974. **Ms McFetridge:** Sorry. Could you say that again?

975. **Mr Swann:** A cultural tsar could be appointed for Northern Ireland to go around and champion — *[Laughter.]*
976. **Ms McFetridge:** I am just trying to think who that would be. Leave that one with me.
977. **Mr Swann:** Taking into consideration the Chair's contribution of the wide range of the creative industries, do you see that as a possibility, or would it become someone who could be too secular, too focused or too one-sided?
978. **Ms McFetridge:** Look at what Gabriel Byrne has done in the South. He was appointed by Culture Ireland 18 months ago to become the cultural tsar for the South. He spoke at the launch of the strategy for Culture Ireland and arts engagement from the South internationally in New York. Because it is him, the media go mad. Look at the people we have. Liam Neeson is the patron of the Lyric Theatre. He would undoubtedly push agendas anywhere internationally. Look at Adrian Dunbar or Jimmy Nesbitt. All Jimmy Nesbitt has to do is get into his car and drive to the end of the road and he makes the front page of the paper. There are people who are so proud of being from here and we have the links to them. Again, I reference Stuart, because I can see him sitting there. Stuart has links to the music industry. Collectively, we know those people and, yes, it will be difficult finding a cultural tsar who would have knowledge of all the different genres that exist, but you will find that most of us have a certain knowledge of the cream of visual arts, music and film. Those people are there, and they are more than willing to help. The arts organisations can help you possibly find a handful of them. Maybe we will find four or five different people.
979. Yes, I think we need to find high-profile people who are prepared to be informed and vocal, but I also think that the Committee can be ambassadors. You have all been elected; your constituencies believe in you and listen to you — most of the time, or some of the time. *[Laughter.]* You have the ear of grass-roots people, so you can also become those ambassadors. I do not think we necessarily need cultural tsars all the time. I just think that, individually, we need to be better informed, prepared to talk about it and to be seen at arts events. Count on us as people who will work with you to do that.
980. I hope that that answered your question, Robin. I went off on one again. Sorry.
981. **Mr Swann:** You are all right. Thanks.
982. **Mr Ó hOisín:** Thanks Paula. As Mr Swann said, your passion shines out, and I think that that is indicative of a lot of people involved in the creative industries. I was a member of the Forum for Local Government and the Arts for some years. I noticed that you touched on the '1 in 5' project, which was in my borough of Limavady. I do not think that anybody can disagree with the nine-point proposals that you put forward. You are also looking at this in a healthy way, that is, through co-ordination and co-operation across the island, across these islands and internationally as regards best practice.
983. I am interested in the local one, the Per Cent for Art scheme, which I know has been hit and miss in places. How best do you see that being rolled out? As you said, there is no costing to that if it is put in from day one, and the benefits of it are huge where it has worked successfully. How do you envisage that being done? Should it be on a cross-departmental basis?
984. **Ms McFetridge:** Let us look at Arts Care, for example. We can see what Arts Care has achieved in hospitals and in home and community settings across the North. Look at ClownDoctors and the impact that that scheme has on families and on children who are terminally ill. That impact is a testament to the work of the ClownDoctors scheme. The scheme costs virtually nothing and is funded through health and through the hospitals.
985. Why do we not talk to somebody such as Anne McReynolds from the MAC? The sculpture that was commissioned in St

- Anne's Square when the building was built was a percentage of the cost of the MAC. It was not additional money. The playwright in residence at the Lyric will produce work over the next 12 months and has to do workshops for young fledgling writers. Again, that did not cost money.
986. When the Per Cent for Art scheme was first talked about, which, I suppose, could be eight years ago, the one borough council that pushed it forward was Carrickfergus, which created a sculpture at Carrickfergus Castle. The other borough councils found the paperwork aspect of the scheme and how it would work difficult to navigate. We just need to talk to those who have made it work, particularly in the South, where there have been loads of public arts sculptures and so on.
987. I think we can be inventive about it. For example, why do we not put a dance teacher for a year into each school that is built? It does not have to be a piece of public art. That dance teacher could then be asked to commit to training dance teachers from across the North once a month. They could come to a school anywhere. They would also have to provide training for young people who want to do vocational dance training and create a dance piece that tours arts centres.
988. We could devise contracts that ensure that the Per Cent for Art scheme has an impact and will work. I am a huge advocate of the scheme. I know there have been teething problems but it would not have continued to happen in the South if it was not working. So, there must be people there who we can learn from.
989. I spoke at length about it to Fiach Mac Conghail, director of the Abbey Theatre. When the Abbey did the renovation of its auditorium, it was on a small budget. However, because it was built into the renovation costs through the construction firm, he was able to get a playwright in residence for the next 12 months.
990. Cathal, I would be more than happy to assist in finding the right people to get around a table to talk about how we make Per Cent for Art work.
991. **Mr Ó hOisín:** That is an interesting job of work. In fairness, Chair, it is something we should look very closely at.
992. **Mr McGimpsey:** Thanks, Paula. I would not disagree with anything that you said. Clearly, it is not just about enthusiasm but knowledge and huge potential. What interested me is how we engage our young people and children, which you touched on. The place to engage them is in school. Again, it is about cross-departmental working. Are we getting the cross-departmental co-operation that we need? I suspect not. Are the schools engaging in the way they should? I suspect not.
993. You had a notion about a dance tutor going from school to school. It is about how we get into classrooms and get to young people to get them to come forward to learn music, dance and theatre. Here yesterday, for example, the new Confucius Institute, which is based at the University of Ulster, put on a cultural show that included traditional Chinese music and dance. However, the traditional Chinese dance was performed by a group of young girls from a school in Ballymena. How did the Chinese manage to get into a school in Ballymena and persuade all those youngsters to volunteer and learn traditional Chinese dance moves? It was really very good and of high quality. It seems to me that we here are missing an awful lot. We concentrate a lot — and rightly so — on economic benefits, tourism benefits, jobs and money, but there is potential there among our young people. It is about unlocking that potential for creativity and innovation, getting in amongst them and, in your sector, about persuading them to come forward for music, dance and theatre. How do you see that going forward?
994. **Ms McFetridge:** I think it is essential that it is cross-departmental. We have to work with the Health Department and the Department of Education. It is

- imperative that we do that. I also think that we should have the Department for Employment and Learning at the table. There are various strands to it. For example, you mentioned the school in Ballymena. We were invited to Ballymena by the PSNI and Ballymena Borough Council to take a small piece out of the Limavady project called 'Fever', which looked at antisocial behaviour. It is a 15-minute piece of theatre. We performed it in the home economics unit in a school in Ballymena for 20 young people, and then had a post-show discussion about alcoholism, drug abuse and antisocial behaviour. We had no trappings of theatre; we were performing just there. They could see the whites of the actors' eyes. The actors were from here.
995. There are various things that happen there. One is that we are informing and educating them. We are giving them contact with high-quality arts engagement. We had a facilitated post-show discussion. They are also seeing people from here speaking with their own accents who work as professionals within the field. If we are going to instill a love, knowledge and desire to work within the creative industries, we also have to support the professionals who work within the sector so that those young people who we are instilling all of that desire in can see that it is possible to actually gain employment within the sector. It is key that we do both.
996. Another thing is that the number of school visits to theatre has reduced, inevitably, because of the economic downturn and because of changing priorities within education, yet the number of young people at second and third level within schools, universities and techs across the North who are actually learning drama, music, media studies and film studies has gone through the roof. What happens is that they are learning within the formal education system.
997. I mentioned workplace internships and apprentices — all those things that used to work within trade. We should be encouraging our local producers and supporting them to host long-term placements, particularly at third level. Kabosh is very committed to that, but I will not take a student on placement unless I am in production and I can guarantee that they will not be stuffing envelopes but will be in a rehearsal room with me, actually learning something.
998. NITA has set up a scheme that starts in September and will work for the next 12 months. It invited young people between the ages of 20 and 30 — calling them young people gives away my age — who want to work within the industry and want to understand technically what happens in production. That is one of the areas in which we are lacking personnel because of the talent drain. People have been trained here and have gone away. They will get paid placements for five weeks with a professional theatre company and they will get touring experience. Various models exist, and we just need to be better at working within the Education, Health and Employment and Learning Departments to say that that is the work that we do.
999. Unfortunately, at times, money is thrown at you and it is easier to get investment if you bring in an outside organisation to work in a school. I am not surprised that there was an international dance company that was able to get investment to work in a school in Ballymena, as opposed to, potentially, a local dance company. On those occasions, I would not turn down international engagement, but, when that happens, let us start looking at how we pair that international group with a local group so that they collaboratively work to create something with those young people. As professionals, they then create a joint project that tours arts centres and theatres locally, nationally and internationally. The investment for that international touring is a completely different pot of money to the money that goes into the local arts organisations. It is about how we multiply and diversify the income and investment strands. That is how we can take the blinkers off

- and start opening our minds to what is possible.
1000. I completely agree with you. I am a huge advocate of it. We have some great theatre companies in the North that work within schools. The Replay Theatre Company has been going for approximately 30 years. It is the best-placed young people's theatre company. It works with under-fives and in primary schools, secondary schools and third-level education. It also does special needs projects. The quantity of work that it does is incredible. However, that type of work requires an increased investment because of the relationship ratio between adults and children and to ensure quality engagement.
1001. Cahoots NI creates intense spectacles that involve illusion and magic. It goes into schools and works in arts and business and it has performed at Stormont on numerous occasions. It is a world leader and is applauded around the globe, yet we do not sing its praises at home. Paul McEaney has been invited to America twice this year to direct projects. Work that he has done here has been transferred internationally, and he has also been working in Australia. That is great for a wee boy from Armagh. We need to keep telling him that he is brilliant at what he does and ask him how we can learn from him. DU Dance, formerly known as Dance United, does a lot of work in that area as well.
1002. Organisations such as Cinemagic and Northern Visions have been creating film and television projects with young people. I started out with them when I was about 12; that is how I got involved. Northern Visions's funding has just been cut because it does not fit into Northern Ireland Screen or the Arts Council, but that organisation has been going for 27-odd years, creating film and television projects for young people and nurturing new generations.
1003. I appreciate the question and I think that it is really important.
1004. **Mr McGimpsey:** You talked about health, and I understand the valuable role that the arts play as therapy for depression and loneliness. How do you engage in the health sector? How do you manage that? You might get a lot of doctors and nurses and health professionals talking health talk. They will appreciate and understand the proposal, but it is about how you make it work.
1005. **Ms McFetridge:** The first step is to encourage them to have five minutes of a live performance at an event or a conference. I have done a lot of this work in the field of conflict resolution, but I have also done it in the health sector. There is a piece written by Bernard MacLaverty that the Tinderbox Theatre Company performs, which is about senile dementia. The company commissioned it three years ago and it was performed at a conference in Belfast. Two delegates had travelled from Scotland to see it. Since then, that particular play reading, which employs five local actors for two days, because it is read, has been performed at international health conferences and is considered to be one of the most incredibly powerful, proactive and engaging means of stimulating discussion at a conference. It has the effect of breaking down stereotypes. You get people to have animated discussion much quicker. That is how we have done it.
1006. We had a piece in the Limavady project that took the form of a simulated operation, in which we looked at how we cut poverty out of people and how we change the poverty cycle. It is a 10-minute piece of theatre, which is very big and brash and over the top. It is mobile and flexible and we can perform it anywhere. That is how we do things in the initial stages. Then, for example, there is a project called 'Hostel', which is a piece about sheltered accommodation. It can be taken into educational institutions where we are training the next generation of those who want to work in the health industry. That is the way that I would do it initially.
1007. Potentially, then, you can start doing work in hospital foyers or outside

hospitals. You can look at the site-specific nature of the project. The visual arts sector has undoubtedly found it easier to engage with health than the theatre has done, because it is seen to be easier. However, I am saying that it can happen with theatre and with music, through live recitals. Because of the way that theatre works, we can raise difficult issues that politicians and the media and those who work in the sector cannot raise, because we are perceived to be neutral. We can ask difficult questions because we can take fact and then we can fictionalise. We challenge the owners of the fact and the audience, which makes it a different experience.

1008. We have done the same thing in the area of conflict resolution, and it works. We raise the issues very quickly, so that people have to leave their personal baggage at the door and have to think differently. It makes them imagine new possibilities. Yes, it is possible.
1009. **Mr McGimpsey:** I think that the key would be the Public Health Agency, which is about promotion, prevention and protection. I think that there is real potential there.
1010. **The Chairperson:** Paula, thank you for your presentation and for taking questions. It was very enlightening. Thank you very much.
1011. **Ms McFetridge:** Any time. Much appreciated.

19 April 2012

Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
 Mr William Irwin (Deputy Chairperson)
 Mrs Brenda Hale
 Mr David Hilditch
 Mr Michael McGimpsey
 Mrs Karen McKeivitt
 Mr Cathal Ó hOisín
 Mr Robin Swann

Witnesses:

Mr Stuart Bailie	<i>Oh Yeah Music</i>
Mr John D'Arcy	<i>Centre</i>
Ms Shauna Tohill	<i>Silhouette</i>
Ms Charlene Hegarty	<i>Smalltown America</i> <i>Records</i>

1012. **The Chairperson:** I welcome representatives from the Oh Yeah Music Centre. You are very welcome this morning. Who is going to lead off — John or Stuart?

1013. **Mr John D'Arcy (Oh Yeah Music Centre):** I will kick off. I should say that it takes four of us to match Paula's energy. A lot of the points that you addressed with Paula are pretty similar to the ones that we will cover. We are happy to take questions after our presentation.

1014. I have been the chairman of Oh Yeah Music Centre since its foundation five years ago. In fact, we were last with the Committee almost five years ago, when we were just starting off. We will celebrate our fifth birthday in about two weeks' time on 5 May. So, we extend a cordial welcome to members and their families who want to come down to touch and feel what we do and to see it at close hand. I have been the chairman of Oh Yeah essentially from the start. As regards Mr Swann's earlier question about whether there is a cultural tsar, I carry the rather unwieldy title of further education and higher

education skills ambassador for creative and cultural skills, which does not go on to a business card easily. My day job is in further and higher education, and we do lots of creative industry stuff in that area. I have also been chairman of Audiences Northern Ireland. Again, you raised some points with Paula about getting people out to the arts, and I have some experience of that. Way back in the mists of time, I was a very clumsy and inelegant musician, about which I will not give too many details.

1015. With me today is Stuart Bailie, who has been the chief executive of Oh Yeah Music Centre since its foundation. As part of our presentation, Stuart will address what we do and how we do it. We are here with some of the people we work with in the creative sector. To my left is Charlene Hegarty. Charlene is label manager with Smalltown America, which is a fantastically innovative Northern Ireland business that specialises in music publishing and record label stuff. That is a very fast-moving industry. Charlene and her colleagues have a model of excellence here in Northern Ireland, which I know is envied across the UK and, indeed, in Europe.

1016. On my extreme right is Shauna Tohill. You will all have heard Shauna's music. She is the sound behind the current Northern Ireland Tourist Board campaign, with the single 'Can't Keep Up'. It has been my pleasure to have known Shauna for about the past six years. Stuart and I take pride in having seen Shauna develop as an artist over that period to the point where she is breaking new ground not just in Northern Ireland but across Europe. We are delighted that Shauna is here. She was up at the early hour of 6.00 am to travel from Sligo in order to talk about her role in the creative sector. I think that is testimony to our energy.

1017. We have given you a short paper. Essentially, we are going to talk about developing creativity, supporting creative enterprise and looking at how we try to inspire people. One of the things we did in Oh Yeah was to create a hub. We have a 15,000 square feet warehouse in Belfast's Cathedral Quarter, in which we have recording studios, rehearsal studios, performance space and a museum. There are also places where people like Charlene can do business. We have a fantastic roster of music industry people. We felt that we needed to have that physical hub to develop the music industry. However, we are not isolationists. Like Paula, we work with the colleges. We also work with the universities, and we are increasingly working partners in the rest of the UK. Stuart can give detail on some of the work that we are doing with European partners in France and Germany. They see what we are doing here in Northern Ireland as groundbreaking. I think that it is better to hear from the practitioners than me, so I will ask Shauna to give a bit of background to her development in the music industry and the sort of support that an artist such as her needs and that we hope the Assembly can help us with.

1018. **Ms Shauna Tohill (Silhouette):** I am a singer, songwriter and performer based in Belfast at the moment. I have been writing and performing from a young age because I grew up in a musical family. My mother and father were musicians who played a lot around Northern Ireland and Ireland. My grandmother, Eileen Donaghy, was a well-known folk singer. I am not sure whether any of you may have heard of her. So, growing up in a musical family, I was undoubtedly going to be a musician. From about the age of 15 or 16, I decided to pursue music full-time as my career.

1019. My musical journey began with the band AngelFall. We were a pop/punk rock band with two girls and one boy. We were trying to enhance the number of girls rather than boys on the scene. Our first gigs were in mid-Ulster, where we grew up. We would play in local

bars, such as Bryson's and the Cellar, which, at the time, was the place where young local musicians thrived and were supported by many older musicians who encouraged younger folk to do what they wanted to musically. The older musicians who most influenced us were the likes of those who now work in the Glasgowbury Music Group. They ran a little workshop session called the Rural Key, which was one of the first musical workshops that we, as AngelFall, attended to develop our skills in the music business. At that point, as far as we knew, all that we needed to do was to write songs. However, there is a lot more to it. We had to learn about how we speak to people, e-mail, communicate with the people who do sound in the business, with management, agents and things like that. Those classes in those sorts of things helped us to develop in all areas of the business.

1020. After attending Rural Key, AngelFall got its first big show at the Glasgowbury Music Festival, which might then have been in its third or fourth year and was still quite small. It has been really growing since then. Since then, AngelFall's profile began to rise, and we played some nice festivals and toured around Ireland. We never really got out of Ireland. Shortly afterwards, AngelFall split up and its members played in various acts. I was a session player. I played bass for Joe Echo, who is now in INXS, and for a few other artists.

1021. I then began to write on my own and started my current project, Silhouette, and that song is used in the NI Tourist Board's campaign. When I started Silhouette, I again went to the Glasgowbury Music Group, which took me under its wing and helped me to develop the confidence to go ahead and do it alone because I had been used to being around so many other people. Glasgowbury helped me to do that and paid for recordings, PR campaigns and things that I could not otherwise have afforded. It also helped to enhance my profile by mentioning me in radio interviews and so on.

1022. After those first steps, I worked very hard as a freelance vocal coach, mainly in the Lisburn School of Music. I was a vocal coach for four years, until a couple of months ago. I also worked as a temp in whatever area I could. I worked in a bank for a while and in clothes shops — at anything that earned me money to support my career as a musician. Eventually, I came across some general arts award funding with the Arts Council. When I initially applied, I was denied quite a few times just because I did not know how to speak the language. Coming from a creative background, I did not really know how to speak in business language; therefore, I could not meet all the criteria. Eventually, I got some funding, but that was in later years when a few people who work in Oh Yeah had taught me how to speak the language. Until then, I gained enough money through working, and I recorded more of my songs to push myself. The only way that I can really push myself as a musician is by having money to record and to pay for someone to do PR, get a tour, and so on. I need money to do that. At the time, that was a difficult part, and it still is, because it is really hard to balance the work and the creativity and keep the ball rolling.
1023. When I moved to Belfast, the Oh Yeah Music Centre was in the early stages of developing. It was truly what Belfast needed: a hub of creative musicians and people in the creative industry. I got involved there by volunteering for some of its events when I worked in a group called Bruised Fruit, which ran a lot of gigs. I also played at a few of their shows. A while later, I recorded and released my first proper single with VM Records. The only reason I got that was because I won a competition at a battle of the bands that was held in Warrenpoint. That was fantastic. The record company paid for all of the recording, PR, photos, and so on, but I still had to pay for all the artwork and physical CDs, which do not come cheaply. You still have to work on your future plans to keep the ball rolling with such things as social networks.
1024. A few months later, Oh Yeah had Silhouette in for a Scratch My Demo session, where I had the opportunity to show people what I had been up to and working on at the time. I felt that was a very productive thing to do, as it helped me to see where my strengths lay as a musician and what I needed to improve on. Oh Yeah offered a lot of advice that way. It also gave me the opportunity to meet other people in the industry who work in and outside Northern Ireland, especially in publishing. I met a man called Mark Gordon who works at Score Draw Music, which is based at the Oh Yeah Music Centre. A few years ago, Score Draw Music was going out to do a conference in LA, and, after hearing me at Scratch My Demo, they asked whether I would represent all of Northern Ireland in my music playing at that conference. To do that, I needed funding, and the Arts Council provided me with that. I was able to go to LA and show people the talent that comes from Northern Ireland. I was joined by another two artists from another publishing company in Northern Ireland. That was a really fantastic opportunity. I got to meet various people in the publishing industry throughout the world who I otherwise would not have met. It was a fantastic way to push myself out there and create contacts to enhance my career.
1025. A few months after that, the Oh Yeah Music Centre was putting together a new CD to showcase the talent that we have here in Northern Ireland. It was called 'Oh Yeah Contenders'. I was asked whether I would be willing to get involved in that, and, of course, I was very happy to. The song that I chose to record for that was 'Can't Keep Up'. Again, Oh Yeah paid for everything, even a tour and a tour bus, and we got to travel around all around the venues in Northern Ireland that Oh Yeah is connected with. The song 'Can't Keep Up' was then used for the NI Tourist Board campaign. If it were not for the Oh Yeah Music Centre and all the companies who are able to provide the money for those sorts of things to happen, my song would not have been used on the campaign. Even if I had recorded it myself, I would still

- have needed the support of the creative industry to push me out there and into the hands of those who work in the NI Tourist Board.
1026. There are other music businesses, such as Smalltown America, which has been so kind to offer me some free studio time to do some pre-production for CDs. No Dancing Records and Third Bar management have been really supporting me and pushing my name outside of the UK. Because of that, I have had the privilege to join Snow Patrol for various performances, including at the MTV awards in Belfast. They asked me to join them as a guest vocalist. Again, I needed all of the support that I have been given in order for them to have heard a CD of my singing. After the MTV awards, Snow Patrol kindly asked me to go on their European tour with them as a guest vocalist. I got to go outside of Northern Ireland and the UK, experience Europe and develop fans there. Hopefully, when I release my next single, everybody all over Europe will love it.
1027. Looking back, it would have been good to have had someone to guide me in financially providing for my career from an earlier stage; for example, in filling out Arts Council forms and general business matters. We touched on it with Glasgowbury. You need to have those specific skills. I do not feel as though I had those skills until a few years ago. It would have been great to have had them earlier. However, I am very happy with the support and encouragement that everybody has provided to me. It is amazing to see how much the businesses that were there at the start have developed over the years and are helping younger musicians to thrive and grow.
1028. Looking to the future, I feel that in order to support my livelihood, creativity, recording and songwriting, etc, it would be ideal to have three things. First, I would love to have a creative space — a place that I could call my office — to go to every day. I would know that I could get up in the morning, go there and just write, and that I would have freedom to do that. There are places throughout Europe where people can go and do writing residencies and such things. I know that there are places in Ireland as well. However, it would be great to have more of those opportunities — creative space where you can go and write.
1029. Secondly, it would also be good to have management. I do not have management yet. I have not needed it so far. However, it would be fantastic to have someone on board who could take over the business side of things. Management could talk to people while I get on with creating and providing the music. It would just be much better to have someone who is good at the business side of it.
1030. Thirdly, it would be good to have funding, whether through investment or grants, to create job opportunities for artists, musicians and people in the arts — even if it is temporary contracts for touring and things like that. That would be great.
1031. That is really all that I have to say.
1032. **Mr D’Arcy:** Thank you, Shauna. Chair, we thought that it was very important for you to get the creative artist’s perspective. As Shauna spoke, you will have heard about the fledgling music businesses that we have here. They have grown very rapidly over the past five years. A really good example of that is Smalltown America. I will hand over to Charlene, who will give us a sense of where they are.
1033. **Ms Charlene Hegarty (Smalltown America Records):** Good morning. My name is Charlene Hegarty. I am 25 years old. I am currently label manager at Smalltown America Records. I deal primarily in the creative development of the label and the people whom we represent at grassroots level. I have prepared some notes for my presentation today. I will cover who we are, what we do and, basically, our suggestions in light of your inquiry.
1034. Smalltown America Records is one of the largest independent music businesses that are operational in

- Northern Ireland. We employ five full-time staff. We operate from dual centres in Londonderry and Belfast. Our business portfolio includes music retail, recording, publishing, artists and business affairs management, and cloud-based e-commerce technology for music. We released our first record in 2001. To date, we have worked with over 200 artists across all popular genres.
1035. We deal in three core areas: intellectual property (IP), international sales development and technology. Essentially, intellectual property is the song or piece of music that you own. IP and the creation, security and monetisation of that are the cornerstones of our business model. From the recording of a band's first audition tape to the release of an established artist's fifth record, we are in charge of and in ownership of every element of that process. In so doing, we ensure that artists are justly rewarded for their creative endeavour and that no income stream, however small, is overlooked.
1036. With regard to international sales, at present 87% of Smalltown America's sales takes place outside of Northern Ireland. That is a mixture of recording, publishing, synchronisation with film and television, and live-performance income. The most successful bands on our label are those with a strong international touring presence.
1037. Smalltown America Records is a digital business first, and a music business second. Although the power of press, radio and television cannot be overlooked, our traction has increasingly come from digital space. In the past financial year, 34% of our income came from our proprietary digital distribution business, independentmusic.com. In the next financial year, we expect this percentage to outgrow that which we current enjoy from big-box retailers, such as HMV, Amazon and iTunes.
1038. With assistance and guidance from Invest Northern Ireland, Smalltown America relocated from London to Northern Ireland in 2007. Its founder, Andrew Ferris, comes from Derry. He spotted a market opportunity and local creative industry optimism, despite the prevailing economic conditions. Initially, Smalltown America's offices were located in the Nerve Centre in Derry. The company has since moved to larger premises, and the Oh Yeah Centre in Belfast has provided a wonderful launch platform for the rebranded business. We are seeking to expand our current office footprint in the Oh Yeah building and to recruit additional full-time staff. Smalltown America endeavours to employ exclusively Northern Irish staff for all its projects; where we cannot, local staff members benefit from assisting others on more complex technical projects.
1039. From our perspective, Northern Ireland is an immature music marketplace. As a result, it is widely accepted that there is a lack of resident musical professionals. Consequently — as Shauna laid out for the Committee — the majority of artists struggle to develop their art and business practices until someone from a business such as ours steps in to take responsibility. As we can acquire only three to six new artists a year, even in our own sphere many get left behind who could generate income and grow the sector exponentially. Although in some ways inevitable, the demise of the Northern Ireland Music Industry Commission (NIMIC) has ultimately been fractious for music industry practitioners, in that there is no longer a local forum for labels, publishers, managers and larger groups, such as the Oh Yeah Centre, to get together, innovate and, most essentially, to share resources. We are currently seeking peer-to-peer advice. We travel to London and are active members in the Association of Independent Music (AIM), a body that protects our interests at a hyper-local level and at a macro level through ongoing initiatives with UK Music.
1040. Looking to the next 10 years, Northern Ireland Screen is a suitable example of the transformative effect that significant financial investment, good governance and intelligent slate funding can have

- on the creative sector. The film and television industry is justifiably thriving as a direct result of this influence, and we hope that there will be a resultant uplift in demand for our services from broadcasters and production companies that are receiving NI Screen assistance. We feel that that link is very underdeveloped. While we and other local companies nurture and promote the creation of industry-standard musical content, we sometimes exhaust our limited resources in trying to connect with world markets as hyper-independent traders. It is accepted that, in the context of creative development, a level of convergence is required between what music specialist companies deliver and film companies need, and vice versa.
1041. We welcome any increased funding for the public or private music sectors in Northern Ireland, but, based on our experience in the past decade, we feel that it is appropriate to indicate areas that would most benefit from investment. The first is the creation of intellectual property, most specifically in relation to songwriting, not recording. Although it is accepted that musical tourism is an important element, as a private company working in the music sector, we believe that everything evolves from the strength of indigenous intellectual property, and we would like to see a more focused approach to nurturing and protecting that process. People undoubtedly visit a country because of its musical heritage. We enjoy and celebrate that through our tourism programmes, but we believe that a core focus is required to develop and protect the next generation of musical talent, so that the well does not run dry, so to speak.
1042. Secondly, we believe that slate funding works, as demonstrated by individuals and groups with track records and broad-based support from the wider music industry. An example of that is NI Screen's initiative, the product development fund. We believe that the precedent set forth in that slate-funding scheme can transfer directly to the music sector.
1043. My final point concerns digital rights music management. We believe that greater assistance and the accurate tracking and accounting of artist and publisher royalties will help to strengthen the Northern Irish music economy. Each year, more than £1 million goes unclaimed by artists and performers. The growth of a musical project requires time, money and skill, but it is common for financial shortages to bring all activity to a halt. There is a gap in understanding, and greater educational endeavours can only seek to set that right.
1044. There is a need for international touring assistance, most specifically for those artists that can demonstrate a viable release schedule in international territories. We trade in creative output, and the creators of that output are the best promoters of it. Although that is both accepted as valid and essential in what we do, we face blocks at every stage of the export process, especially when it involves people moving from one place to another in business practice.
1045. That is where I will leave it today. Thanks for your time, and I welcome any questions.
1046. **Mr D'Arcy:** Thank you, Charlene.
1047. Stuart will finish our presentation by giving an overview of where Oh Yeah has been and where we hope to support people like Charlene and Shauna and their businesses.
1048. **Mr Stuart Bailie (Oh Yeah Music Centre):** I do not think anybody in this room would disagree with the statement that music is a tremendous resource for Northern Ireland and is something that we deliver really well. That has been going on for a long time. Occasionally in the past, there have been frustrations because the talent has not been able to rise or be delivered or encouraged. Shauna has told you about the very many connections she has made, some of which have been lucky and others structured. That is something that we need to move towards.

1049. I will give a snapshot of some of the great news that we have heard over the past 12 months or so. We became aware that Van Morrison's 'Brown Eyed Girl' had been played one million times on American radio. That is an extraordinary achievement and shows the power of intellectual property and how a great song can be a huge asset. Snow Patrol's record sales have now exceeded six million, and the band Ash from Downpatrick have had 18 top 40 hits in the UK and two number-one albums. Heavyweights like Phil Coulter and Paul Brady have added to that incredible legacy, as has David Holmes, the soundtrack composer from the Ormeau Road who is in Los Angeles working on Hollywood soundtracks. Those people have collectively helped to sell more than 100 million records. We have done incredibly well, sometimes in spite of very difficult circumstances.
1050. The questions we were asking ourselves seven years ago were: how can we make it better and how can we get over some of those obstacles? We were very aware that the Nerve Centre in Derry had been doing very good stuff to encourage musicians and creative industries from Derry. We had started to see some interesting projects coming out, such as Glasgowbury, which is organised by Paddy Glasgow, who continues to do very well. Belfast lacked that, and the Oh Yeah Music Centre was a response to that vacuum.
1051. In 2007, we got the keys to the building, which was an old whiskey warehouse behind St Anne's Cathedral. It has been a lot of work. A lot of that work has been done in a piecemeal fashion and a lot of it has been done incredibly resourcefully. However, with the help of acts like Snow Patrol and Ash and artists like Foy Vance and Duke Special, we have made considerable gains.
1052. We have two rehearsal rooms, which are used during the day by 80 students from Belfast Metropolitan College and are privately used in the evenings and weekends by young bands that want to rehearse. We have a privately run recording studio, which is turning our incredible stuff that features regularly on Radio 1, 6 Music and lots of other exciting outlets. We have approximately seven businesses, including the one run by Charlene, who is a blinding example of the young initiative that we need to take Northern Ireland to another level.
1053. We have lots of people who are coming in for workshops and events. We have a venue space. We have a music exhibition, which has just incorporated a tribute to Gary Moore with lots of original guitars and clothing donated from his estate. That tribute is bringing in a lot of people at the minute, and over the Titanic anniversary weekend we had a lot of international visitors and media coming to see the narrative of Northern Ireland music, which was incredible.
1054. We are trying to bring on business. Northern Ireland is generally not good at producing entrepreneurs and is generally not good at all when it comes to creative industry entrepreneurs. There should be five or six managers fighting to manage Shauna to take her to the next level. Her career is going incredibly well and she building her craft, but she should be on the next level. We hope that will happen soon, and the international profile that she has now should accelerate the process. The line from Snow Patrol when we had the early discussions with them was, "It took us 10 years to be an overnight success." It should never take another band 10 years to become an overnight success; there should be people every step of the way that they trust to help them, mentor them and give them advice that can steer them in the right direction.
1055. We have a good policy for young people. We have an organisation called Volume Control which is, essentially, for 15- to 18-year-olds who do monthly shows for their peer group and for all-ages audiences who would not be served in venues with bars. They do everything from front-of-house, production, sound engineering, lighting and stage management, to finances. They will be able to buy and sell us in a few years. A couple of the graduates from Volume

- Control are already working in the industry, which is incredibly exciting.
1056. We are also working a lot with the over-50s, and we are finding a lot of people who are getting their guitars out of their attics and are starting to write music again, either for their own fun or for an artistic purpose. We work with disabled people and socially disadvantaged people, often in partnership with organisations such as the Cedar Foundation, the Spectrum centre in Dungannon and lots of community centres around Belfast. That is all very exciting as well.
1057. We have a talent development scheme, assisted by the Arts Council, which is housing and mentoring four acts who are already getting quite a bit of attention. We have piloted a business incubation scheme, which gives desk space, Wi-Fi and a little bit of training and mentoring to young entrepreneurs. We are waiting for the result of a funding application to see whether we can take that further.
1058. All those things are very exciting — cultural tourism, as has been mentioned, and the branding of Northern Ireland and Belfast. There is a much more positive spin emerging through the use of music to brand Belfast as a musical city, and we have been a big part of that through our exhibition and as authors of the Belfast music bus tour. We put a lot of content into the Belfast music application for iPhones, which gives a guided tour of Belfast and introduces our hall of fame of great musical achievers.
1059. We have worked with Belfast City Council, which has been very good. We have worked with the Northern Ireland Tourist Board, the Arts Council of Northern Ireland, Tourism Ireland, Creative and Cultural Skills, the Musicians Union, the PRS (Performing Right Society) and many other people. It is a very exciting time; more than ever, people are merging their strategies and talking to each other about them rather than staying in their individual silos and competing with each other. There is a
- much more positive atmosphere at the moment.
1060. We have been very happy to receive funding from the likes of Hope for Youth, Ulster Garden Villages, Unlimited, the Paul Hamlyn Foundation and the Esmeé Fairbairn Foundation. Last year, when the MTV machine came into town, we were part of the inward visit. We welcomed MTV before it made its decision. We watched, like everyone else, Belfast become an incredibly positive image before a potential audience of 1.2 billion worldwide. It was an incredible moment for the city.
1061. We co-ordinated Belfast Music Week with the help of Belfast City Council and our partners, which was seven days ahead of the MTV Europe Music Awards. We had 177 events in over 45 venues in Belfast. We brought 33,500 people into the city, 70% of whom were there specifically for Belfast Music Week and it is set to return in November. That was all about celebrating local music, not international acts. The research showed that people were very aware of Belfast Music Week as a separate brand, aside from the MTV circus. We are very confident that that will continue as an annual event.
1062. There is a lot of support in the media for Northern Ireland product. Silhouette has been played extensively all over Radio Ulster, Cool FM and Citybeat. That sort of thing did not happen in the past. We are very happy about that. We are a little bit concerned that funding is affecting organisations or publications such as AU magazine, which is a great forum for local music, but which has had its funding withdrawn.
1063. We have been a model for an organisation in Arras in France, which has come to visit us and put us as a chapter in their appraisal for a music centre in France. We have also been visited by delegates from Bogota, Colombia, who were fascinated by what we are doing and by people from Santiago, Chile, who were very keen to see how we do things. In our turn, we have made a few benchmarking visits

- and we are fascinated to make the connections as the music centre, the centre of excellence or the creative hub becomes an accepted model in many cities.
1064. We have looked at examples in Toronto, Brighton and London. Recently, with the help of the British Council, we went to Berlin. At South by Southwest this year, as well as watching showcases for local talent, we talked to people from Memphis, Los Angeles, New Orleans and the Cleveland Rock and Roll Hall of Fame about how they use their legacy and the great excitement of rock and roll to bring people through their doors.
1065. That is about it. We have a long way to go. We have been going for only five years. We are delighted that so many young people are coming in and out of our building and that so many enterprises are catching the potential to do well. We feel that Northern Ireland is coming into a new era. There are great centres of excellence out there, including the Liverpool Institute for Performing Arts, whose patron is Paul McCartney. Alumni from the BRIT School in Croydon include Adele, Amy Winehouse, Kate Nash and The Feeling. Alumni from that school have sold 65 million records in 10 years. Although we are scaling up and getting our people ready, there are people who are working on an even bigger scale. The BRIT School is being rolled out in Manchester and has currently been adopted by Oklahoma city. So there are models that we can look to for even more inspiration, but we are very happy and very pleased, and sometimes rather tired, at what we have achieved. It has been a great time. We have some CDs that feature Shauna's music. She mentioned the 'Oh Yeah Contenders' CD, and I will leave that here if that is OK. There is a bit of information there as well.
1066. **The Chairperson:** We really should have had a live performance.
1067. **Ms Tohill:** I would have preferred singing to speaking. *[Laughter.]*
1068. **The Chairperson:** Thank you for your presentation. It was great to hear from people in the business about the challenges that you are facing. You have to be congratulated for the vision that you have and the work that you have put in, and it is tremendous to see the outworkings of that in such a short period of time. We are talking about the possibility of a creative hub, and you have created a hub. It is obviously paying dividends for Northern Ireland. On behalf of the Committee, I congratulate you for that.
1069. One of the issues that you raised in your paper and which Charlene spoke about is the lack of a forum. How could that work, and what would be the benefits of that?
1070. **Mr D'Arcy:** All of us will probably chip in on that. As Paula said in her presentation, music is pervasive across the whole extent of the creative industries, whether that is working in soundtrack music, record sales, CD sales or downloads. We have been absent from a structured voice for the sector for the past two or three years, and that is a vulnerability, because we now have a music strategy for Northern Ireland. One of the challenges in my day job is how to manage strategy, who is accountable for that and where to get the buy-in from the people who are supposed to be contributing to the strategy.
1071. From an Oh Yeah perspective, we are not in the business of suggesting that a quango should be set up, but we feel that there is merit in the Culture Department and possibly the Department of Enterprise, Trade and Investment (DETI) through Invest Northern Ireland thinking about getting some sort of advisory forum that could reality-check where strategies are going. If strategies are not going in the right direction, such a forum could give proper advice on how those strategies may change. I will hand over to Charlene to get a practitioner perspective. We feel that there is a vacuum in that there is some distance between various providers and where government want

- to move forward with the creative sector. Northern Ireland Screen is a really good example, but that is a body with huge infrastructure. In these times of austerity, we do not think that we necessarily need a full-blown body such as that but some mechanism whereby the music community can help the Department and Northern Ireland plc.
1072. **Ms Hegarty:** I agree with that point entirely. To recall one of the points that I considered earlier, when we seek peer-to-peer advice, we make a call to London. We receive a lot of great support by way of advice and practical walk-through examples through AIM. We can plug into that by a small membership fee annually, which we are happy to pay. It is a very small amount by comparison with the amount of advice and instruction that we get. It is an impartial body that represents like-for-like companies in our field. In a sense, it is open to everyone. Based on the acceptance of the fact that there was a vacuum, NIMIC was set up, and the downfall of that is well noted. It was accepted that, in theory, what NIMIC was trying to achieve was of benefit. For us, it would obviously be great to have that.
1073. I would like to think that everyone in Northern Ireland could work together rather than being insular and competitive with one another. The world is a big market. In very small terms, there is obviously wonderful output in respect of film. As I indicated, a lot our income comes from the synchronisation of our music on film platforms. At the minute, none of that happens locally. I suppose there is a vacuum between who is doing that locally and understanding where we can start to channel our energies. If loads of resources were put in place there, they would be well used. As I say, we would really benefit from impartial input. Obviously, we as a company have our own business objectives, and we welcome any input.
1074. **The Chairperson:** Is there any way in which you could strengthen your links with Northern Ireland Screen to make some of what you are talking about happen?
1075. **Ms Hegarty:** Absolutely. We have gone round the houses, so to speak, and have introduced the notion of what we do. However, that really requires a lot more focused attention. We are a small team of five, and it is fair to say that our focus is on representing the artists we work with and their creative output. So I think that there are accepted limitations to what we as a very individual entity can do to monitor that, because it is a big field. There is constant potential for development there. We would certainly benefit from an impartial advisory committee of some sort that could help to correlate that more cohesively for us. That is really where it is at for us. We make best endeavours, but we accept our limitations to an extent because of our resource.
1076. **The Chairperson:** You raised the issue of intellectual property. Does the increasingly digital nature of your industry mean that it is becoming more difficult to protect that?
1077. **Ms Hegarty:** I find that there is a gap. I think that there is a great opportunity to maximise income in the digital age, but I think that a lot of that is not so much wasted as missed. Shauna gave the example of trying to fund some of her projects, and I am sure that she would admit to the fact that sometimes it is hard to understand the scary world of digital music and to make money from it. As a company, we seek to educate everyone we work with, especially the artists, to make sure that everything they do that can make money does so and that that money goes back to them. As I said earlier, £1 million goes unrecouped every year from digital outlets for music, and so on. That is because artists do not track their incomes as there is a gap in their understanding.
1078. As a company, we make sure that that is well sown up for everyone we work with at the entry point, because it helps us if they can remain financially fluid. The worth of intellectual property has exploded in the digital age. Admittedly, the unit rate and per-bit rate have somewhat decreased but the volume

- has increased hugely. As a company, that is the area in which we work. We trade digitally online through our own proprietary business called Independent Music, and we have managed to increase our sales through that.
1079. **The Chairperson:** Can you think of any measures that the Assembly could take to increase IP protection by enhancing legislation? Have you any suggestions?
1080. **Ms Hegarty:** I think that there is a lack of understanding; that is commonly accepted. A number of acts on our label have come through a music college of some description, but some of them have absolutely no idea what PRS or Phonographic Performance Limited (PPL) are. We were absolutely astonished to learn that an artist, not on our label, who has been touring consistently for 10 years is not a registered member of PPL. Every time you play live, you get money through PPL. He has played for 10 years, but he has never been signed up for that. I cannot understand where that lack of understanding comes from. As a practitioner in the business, I have found that what I would assume to be very common knowledge is not. We can work with only three to six acts a year. That is accepted in respect of how many people we employ at present and how we can fully follow through on our promises. We can work with only that number. I can be sure that those three to six acts are completely aware of that. However, I am concerned that there is that lack of understanding. It may be in educational and musical colleges, and so on.
1081. I came through a music college. I studied at Bangor tech, and I had a wonderful time there for a year. My focus going into it was never to be a performer like Shauna, because I cannot sing. I really wanted to focus on the business element of that. While I got my first entry-level experience in that field, I quickly grew out of that in the sense that, over the course of the year, although it was good, I certainly did not feel as though I wanted to progress to second- and third-year qualifications.
- I felt as though I could learn more by myself. That is my personal example.
1082. My experience of some performers, in particular, who come out of music colleges is that there is great focus on the performance element. As we discussed, we consider all ideas of intellectual property creation and development to be very important. However, an understanding of how valuable that is, sometimes, falls down.
1083. **Mr Ó hOisín:** Both presentations this morning have been very inspirational with regard to the inquiry. I should say to Shauna that my musical taste covers every genre, from Eileen Donaghy through to moshing and playing great air guitar at places like Bryson's. *[Laughter.]* Earlier, Paula brought up a serious point that has been relayed to us in workshops that we have gone through, and it was about the dichotomy between the performer or skilled worker and the management. If anything comes out of this inquiry into maximising the potential of the creative industries, it has to be that recommendation. We expect indigenous development here. We see the value of that, which Stuart outlined. We expect organic growth. However, organic growth is a small and steady thing, rather than an overnight success, as you mentioned. We expect all that without adequate and proper investment.
1084. A fortnight ago, we had a presentation from Ross and John from the Stendhal Festival, which has just started. It has huge potential. I know the work of Paddy Glasgow very well and what he has delivered in the middle of nowhere. That is the truth, it is beside where I am from, so I know exactly where it is. What he has done over 10 or 12 years is absolutely amazing. That is outside the remit of what goes on in Belfast and, again, all of the indigenous things. Therefore, if anything comes out of the inquiry, Chair — to touch on some of the points that you made — it must be how we tie together the dichotomy that exists.

1085. I do not have a question; I just wanted to say that. That is the most important thing. The two presentations today were most important in our examination of that. Thanks again, everybody.
1086. **Mr McGimpsey:** I agree entirely. They were very strong presentations. I found it absolutely fascinating to look at your social enterprise and not-for-profit venture edging into what is a very tough commercial business, and how that works.
1087. As a Government, we want to support your activities as best we can because that is good for all of us, society, and so on. My view with regard to the creative industries is that, if you want to do it well, look at who is doing it well and copy them. Therefore, go across and look at Scotland, in particular. We are looking at the creative industries, and we should have a good look at that place because it matches here so closely.
1088. With regard to your activity and what you are about, you mentioned the Liverpool Institute and the BRIT School. Can you talk to us a wee bit about that? Are they appropriate models to give you support in Northern Ireland? What we do not want is to see Charlene's company going to London after a while. We want to keep her here, see her company grow and see other companies setting up.
1089. The issue is the margin between the not-for-profit, voluntary, social-enterprise activity and the hard-nosed commercial business. As you said, there is a lack of entrepreneurial skills in that area. That is key. I have had a background in business all of my life. That is one of the key factors. How does it work in England? You talked about the BRIT School expanding to Manchester and Paul McCartney's institute.
1090. **Mr Bailie:** Well, something like £15 million was put into the BRIT School. Also, a significant building was built at the site of Paul McCartney's old school. It has a curriculum-based programme, which means that students can learn about stage lighting, performance and writing. It is a finishing school for artists or people associated with the production of music. The BRIT School also seems to lean towards the artist and the performing arts. It has very close connections to the industry, and anyone who watches the BRIT Awards will realise that the school has charity status. The BRIT Awards has given £10 million to the BRIT School over 10 years and the education authorities pay for the rest. It is also a curriculum-based project, even though these very colourful individuals come out of it.
1091. There are other places that deal with business and entrepreneurship, such as Generator, in Newcastle-upon-Tyne, which teaches more about the nuts and bolts of the business and how to make it work. These are all things that we can learn from. Those people might have a fighting fund of £10 million or £20 million, but we have a 20-year lease on a building and we have probably spent £200,000 on it in five years, which was done piecemeal. We have appalling problems with soundproofing and security and all the niggly things. If someone were to write us a cheque tomorrow, we would ask for £30 million to build a fantastic finishing school for music and music industry practice. I know that Dublin is importing a model from Brighton.
1092. People are seeing the value in it, and, given that you said that alumni have sold 65 million records, that is a good business case. We have a lot of talent, and a lot of our talent goes astray or takes a long time to come to fruition. If anyone has a blank cheque, we can make it happen. You were talking earlier about getting a really big visionary approach. It is possible; we are doing the very best that we can at the moment.
1093. **Mr D'Arcy:** That is the important point that Stuart is making, Mr McGimpsey. It is one thing to have a cheque book, but the key thing is to have a vision and a strategy that is measurable. In the previous presentation, there was talk about the Health Department, the Department for Employment and Learning, and so forth. There is traction

- to be driven through there in getting the Departments to help with, for example, adding in business modules to music technology courses. The colleges will always operate to a set curriculum that is provided by the awarding bodies, but there is nothing to stop the Department encouraging greater employability or entrepreneurial skills.
1094. There could be free-standing modules on how to make money in the music business. There is a great degree of discussion that needs to happen. We should be learning from the BRIT School and elsewhere. My understanding of what is happening in Dublin is that it is a private college working with an institute of technology, so it is almost a private-public partnership model. There are exciting things to happen there.
1095. The key thing is that we have a tremendous resource, and we are really pleased that the Committee is taking the creative sector very seriously. Being the anorak that I am, I have been very impressed by the contributions that you had so far during this investigation. There is a huge amount of information to build on. If there is anything that Oh Yeah, Smalltown America or the performing community can do to help with additional evidence or case studies, we will be more than happy to supply them.
1096. **Mrs Hale:** Thank you; it has been an absolute joy to be at the Committee today to see your enthusiasm. I want to pick up on the point that you just made about business models in music or arts courses. I spoke my daughter's friends who are studying music; one is in Dundee and the other is in Westminster. There are no business modules in any of their third-level courses. You said that there were difficulties in accessing application forms for funds. Do you believe that, if mentors were available to help access those funds and some of that unclaimed £1 million, would that help up and coming artists?
1097. **Ms Tohill:** I think it would. It is important for young musicians, especially people who are just studying music. It is good for them to have someone to go to who can advise them to do things in the right way and approach things from a business perspective. As a creative person, it is harder to come from that kind of business mindset. It is not a different mindset; it is just a different way of approaching things.
1098. **Mrs Hale:** If a business module were attached to a creative course at a university or in a tech, would that put you off?
1099. **Ms Tohill:** Not for me; I quite like both sides. However, I know of people who went through Bangor tech and had the opportunity to look into the business side as well as the music side. A lot of the musicians tended not to have much to do with the business side because they wanted to focus on the creative side. Some people may not be as interested but it is an important part for musicians to learn. If you want to be able to make a career out of it, you need to have a business perspective or at least someone to go to.
1100. **Mrs Hale:** I would be concerned that we would lose a lot of artists to unscrupulous managers if they were not able to take ownership.
1101. **Mr D'Arcy:** Some nice work was done by Craft Northern Ireland, which had an apprenticeship scheme called the Making It programme, through which it found opportunities with producers for people at colleges and universities to come in and learn their craft but also from someone who was making a livelihood out of, for example, pottery design. It was the old-fashioned apprenticeship model, and there is maybe scope for making it relevant to the industry that you are in instead of having a formal six-week course on balancing books and trial balances. In other words, when a band comes to Charlene in two years' time, they would understand that they should have been members of the Performing Right Society and have all those things built in before they start. You are absolutely right: it is just lost revenue.

1102. **The Chairperson:** It may be useful if you could forward us examples that you used as case studies, such as Liverpool, London and Dublin, just to inform us a little bit more. If you are open to a visit from the Committee, that would be quite useful.
1103. **Mr D’Arcy:** We would be absolutely delighted to host a visit at any time. You would be most welcome.
1104. **The Chairperson:** That would be great. Thank you very much for your presentation.

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 Simon Dancey	<i>Creative and Cultural Skills</i>
Ms Sara Graham	
Mr Ian Kennedy	<i>Creative Skillset</i>
Mr Alasdair Smith	

1105. **The Chairperson:** We are now going to hear from Mr Ian Kennedy, head of Stakeholder Partnerships Northern Ireland, Mr Alasdair Smith, from Scotland, who is director of Creative Skillset. We also have, from Creative and Cultural Skills, Ms Sara Graham, the Northern Ireland manager, and Mr Simon Dancey, the nations and international director.
1106. I welcome you all here. You have been with us for the previous session, so you know what to expect. We are looking at quite a broad range of issues in and around the creative industries. I thank you all for your written submissions. We will take opening statements. I am not sure whether you have worked together and decided who will go first.
1107. **Mr Ian Kennedy (Creative Skillset):** No.
1108. **The Chairperson:** Sara, would you like to go first?
1109. **Ms Sara Graham (Creative and Cultural Skills):** Thank you for the opportunity to come and present this morning. I will give you a little bit of background to Creative and Cultural Skills as I am not sure how familiar you are with our organisation.
1110. We are the sector skills council for the UK's creative and cultural industries, which includes craft, cultural heritage, design, literature, music, performing arts and visual arts. We were founded in 2004, and our goal is to enable creative and cultural industries to reach their economic potential through relevant training and skills development.
1111. Over the past three years in Northern Ireland, we have developed strong relationships with government, sectoral bodies, education and industry to address some of the skills challenges that are affecting our sector. I will give you a flavour of our work and some examples of what we have been doing. We ran a leadership programme for existing and emerging leaders in the creative industries and a joint research project with the Arts Council, and we worked closely with it and combined that with research from Arts and Business NI and Audiences NI to look at developing an advocacy tool for training. We developed a professional development through mentoring programme out of that, which looked specifically at the skills of fundraising, marketing and audience development, which are very specific to our sector, and we established the Northern Ireland Design Alliance, which I will come back to later. We have been working on careers information and apprenticeship frameworks, and we have established a pilot creative apprenticeship programme here in Northern Ireland. That gives you a flavour of our work.
1112. We are conscious that the inquiry is about looking forward and about how to develop the creative industries; therefore, I want to focus on our plans for that over the next couple of years. Creative and cultural industries are recognised as a growth area, and I am sure that you are probably overwhelmed at this stage with statistics and research about the sector and how much it is

- growing. Some of our statistics are in our submission, so I will not go into that in any specific detail.
1113. However, I want to stress that the growth is across our industries; it is not just in those specifically more digitally focused areas, which, for us, would be more in the areas of design and music, but it is right across our sector. In fact, some of the largest growth is forecasted in visual and performing arts. I know that that is something that other people have brought to the inquiry. However, it is something that we want to raise as well, along with the holistic investment in the creative industries, so that we maximise those opportunities as well and are investing in all of the creative industries to develop good content for our digital media.
1114. However, although we know that our sectors are growing, and that there is forecast for greater growth, we are most interested in having the skills to see that growth maximised and having the skills to reach that growth. There are skills shortages in Northern Ireland and across the UK. One of our statistics shows that 68% of creative businesses with skills gaps in their workforce lost business because of that over the past year, which had a knock-on impact on their innovation. Some 55% had to delay development on products and services. Therefore, skills gaps are a very real issue, and we need to address those to be able to maximise the potential of our sector. However, there are a number of challenges around that. For example, with regard to qualification development, further work needs to be done to create vocational qualifications that meet industry standards to drive down those skills gaps and make sure that they are fit for purpose for industry in respect of occupations across Northern Ireland. We are doing a lot of work on that around national occupational standards, apprenticeship frameworks and piloting apprenticeship schemes.
1115. On the subject of education, it is really important that creative industries can articulate their skills needs with further and higher education more clearly so that courses can be aligned to industry needs. Along with that, more needs to be done to build business-to-university and business-to-college links in respect of internships, work experience and sandwich placements. Building industry/education links came out clearly in the industry and education stakeholder events that we held with the Arts Council just before last Christmas.
1116. The second challenge around skills development is practical and it concerns careers education, information, advice and guidance. It is really important that people who are looking to come into our sector, and those already in work, receive accurate information about the skills and abilities they need to get into and progress in the creative industries.
1117. Lastly, continuing professional development (CPD) was mentioned in the previous session. That is somewhat ad hoc in our sector, and it needs to be more accessible so that we can upskill the workforce and compete in a changing market.
1118. I will pick up on each of those challenges and talk about what we are planning to do. We are planning to establish a skills academy model in Northern Ireland based on work that has been done in England. In 2008, we founded a National Skills Academy for Creative and Cultural. That operates in England as a membership organisation. It is a network of employers, freelancers, industry and trade associations all working together with education providers to develop, improve and recognise skills. To date, it has focused on responding to the skills needs of live music and theatre industries and creating programmes of vocational training. It has created over 1,000 apprenticeships for young people. It runs a programme of careers events across the country, reaching over 3,000 young people a year, and it is opening a specialist centre for backstage training later this year.
1119. That is what is going on in England, but what is it going to look like in Northern Ireland? We have recently

- been successful, as a skill set, in the employer investment fund, and we are looking to invest that money across our nations to develop our work, particularly in Northern Ireland. We want to build on what has been done in England and learn from that and address the skills challenges that I mentioned earlier through three main core strands of work: apprenticeship development and delivery; careers advice, information and guidance; and continuing professional development, ensuring that employers have the right access to tools and training.
1120. We already have strong relationships with industry and education, and we are now looking to formalise that and invest in specific programmes of work to tackle skills issues. I will elaborate on each of those three strands in more detail. First, formal apprenticeships, and, by that, I mean those approved by government, are completely new to our sector. We began developing creative apprenticeships in 2008, and there are now over 1,000 apprentices, as I just said.
1121. Apprenticeships offer creative individuals a non-graduate route into employment, and they offer employers a new, alternative route for employment and vocational training. This is particularly true for the level-three professional and technical role, which actually accounts for over 60% of occupations in the creative and cultural industries.
1122. Our apprenticeship frameworks have been developed and approved by industry. A huge consultation process goes into making sure we get the skills right. We are keen to ensure that Northern Ireland employers and employees have the same opportunity to access those frameworks. We are working closely with DEL to ensure that that happens. We believe that apprenticeships will help us tackle some of the skills gaps. Also, and very importantly, given the current economic climate, we hope that they will provide new employment opportunities and help to diversify our sector, giving us those new access routes into the sector.
1123. We recognise that introducing apprenticeships is a real challenge for our sector, which is microbusiness in nature. There are a lot of arm's-length public bodies involved, which are, at the moment, not included in the apprenticeship frameworks. So, there are a number of challenges to overcome, but we are very keen to work with government to tackle those barriers. Obviously, one recommendation in our submission is that government will want to work with us to take that forward.
1124. As I said, it is important that people have accurate career information in order to get into and progress in the sector. We have developed a number of websites in this area. Our main careers website is Creative Choices. It provides links to jobs and opportunities, details you might need at all stages of your career, and content on the creative industries. It is a resource currently used by about 40,000 visitors a month. We also run a couple of "Get into" sites, for our live music and technical theatres. This is something that we are looking to expand, so that the number of sectors we can offer the "Get into" model to is increased.
1125. As well as developing our online resources in careers, we are looking to work with our local further and higher education providers, in partnership with industry, to deliver some more hands-on careers events. As I already mentioned, developing strong relations between industry and education is a really important role for us. We want to help facilitate that, so that the student experience at those institutions will be better and involve more contact with industry, and there will be more CPD opportunities, which the University of Ulster talked about before.
1126. That brings me onto my final point, on the third strand of our work within the skills academy. Given the skills gaps in the Northern Ireland workforce, formal and informal CPD is essential to upskill our workforce. There are very specific technical needs in each of our industries, but there are also areas of commonality. Again, that is

- something that came out very strongly in the stakeholder events that we held at the end of last year. It has already been touched on this morning, but that commonality includes things such as more entrepreneurial thinking, business skills and marketing, internationalisation and the need for an understanding of the legal requirements to protect and make money from your creative practice, whatever that might be. It is a big area of work and so it is critical that industry and educational sector bodies work in partnership to maximise the resources that we have. However, we also need government to make an investment in the skills of our existing workforce. In the DEL skills strategy, it was outlined that 80% of the 2020 workforce — the year that we work to — are already in employment. That means that we need to get alongside our existing employers to support them in developing their existing staff.
1127. The final thing that I want to talk about is design, something mentioned by Professor Ian Montgomery this morning. Design is a vibrant sector in Northern Ireland. For us, it makes up 52% of our footprint. We have around 14,000 people in our creative and cultural industries — that sit within the sectors that I mentioned earlier — and design makes up over half of that. It is a very significant industry. It is the largest creative industry. The GVA contributed by design has grown by 25% since 2004. It is a really significant economic contributor. We want to work with the design industry. However, there has been no specific representative body for it in Northern Ireland for a long time. In 2009, we established the Northern Ireland Design Alliance as an industry-led body to foster that growth, invest in the skills of designers and work more closely with education. In the past two years, for example, we have run a student design competition with the University of Ulster, which enables students to be mentored by local design companies. Importantly, the Northern Ireland Design Alliance aims to provide a strategic voice for the sector in government, and, given the current state of the economy, we feel that that is more important than ever.
1128. The Northern Ireland Executive have recently published their Programme for Government and economic strategy for Northern Ireland, and both those documents contain ambitious targets to rebalance and rebuild the Northern Ireland economy. We firmly believe that design and the wider creative industries have a strategic role to play in delivering those targets.
1129. This year, the European Commission set up the European design and innovation initiative to strengthen the connection between design, innovation and competitiveness, and there are many global examples that demonstrate the positive impact of placing design at the heart of decision-making in government, such as in Korea, China and Finland with the Helsinki Design Lab. Closer to home, Design Wales got support and investment from the Welsh Government to increase the business potential and capacity of the Welsh design community. All those initiatives recognise the strategic role of design thinking as an approach to problem-solving and stimulating innovation and growth, and those are conversations that we are starting to have with DETI as it develops its action plan for stimulating innovation, R&D and creativity. However, we want to encourage a joined-up approach across Departments to the creative industries as a whole, and to design in particular due to its size in the sector and its potential to add value to other sectors to help drive economic growth.
1130. There has always been an issue with where design fits in government, and Professor Ian Montgomery mentioned it earlier. It spans across every industry and does not fit neatly into one sector and, therefore, one Department. However, we want to work with the Executive on the use of strategic design as a crucial part of modern economic and social policy, and we see the Northern Ireland Design Alliance as a good vehicle to do that, but only if there is public investment to formalise and strengthen how it operates. That would

- enable us to work strategically with government and give us the capacity to address everyday skills issues in a fast-paced, growing and economically significant sector.
1131. We included a full list of our recommendations in the submission. I welcome the opportunity to talk about any of those and the chance to present this morning. It is worth saying that we see collaborative working relationships as essential to the delivery of all the programmes of activity that I have mentioned this morning, whether it is apprenticeships, CPD, careers or design agenda. We emphasised that throughout our submission, and, in the stakeholder event on growing the creative economy that we had last year, we valued the opportunity to come together, discuss some of those issues, think about overlap and how we can move forward.
1132. There is no doubt that our sector is richly diverse. It is small-scale, and that can make it hard to get a handle on, but the more that we collaborate and share information and knowledge, we will increase opportunities and avenues for industry, education and sectoral bodies to work together to create new business opportunities.
1133. Thank you for the opportunity to present. The inquiry is a really positive step in catalysing the discussion. I welcome any questions.
1134. **Mr I Kennedy:** I want to take the opportunity to thank you for the opportunity to present evidence as part of this important inquiry. On a point of information and just to add confusion from the beginning, Skillset has been named Creative Skillset since 1 April.
1135. We think in exactly the same way as Sara's analysis of our sector. Therefore, I will keep my remarks very brief so that we can move to questions as quickly as possible. In the context of what we heard from the University of Ulster and the questions that emerged from that, I am delighted that my colleague Alasdair Smith, the director of Creative Skillset in Scotland, has been able to join us, and I am sure that he will make an important contribution.
1136. Creative Skillset is responsible for the creative media, the publishing sector and, interestingly, fashion and textiles. We believe this to be a period of considerable optimism and opportunity for our creative industries. They are an increasingly major contributor to the Northern Ireland economy, and we are confident that, despite the current economic conditions, they will grow at a faster rate in the wider economy in the coming years, particularly, as Sara has emphasised, areas that are export-focused.
1137. Creative Skillset is dedicated to developing world-class talent, and in Northern Ireland we work with a number of partners to achieve this goal, particularly Northern Ireland Screen. Our other public sector partners include the Department of Culture, Arts and Leisure, Invest Northern Ireland, the Department for Employment and Learning, and we also work closely with our employers, key HE and FE institutions, trade unions and trade associations. We are ambitious, aspirational and determined for our industries in Northern Ireland to rise to and exploit the new challenges and opportunities ahead.
1138. As mentioned in our submission, there are several key drivers for our optimism. One is the potential created by the BBC's network supply strategy, which points to considerable increases in levels of expenditure on network programming, as opposed to local programming, produced in Northern Ireland over the next five years. We also point to the continued and growing success of Northern Ireland Screen in attracting productions from all over the world to locate here in Northern Ireland. We also have a growing commitment from Channel 4 to move more production out of London and into the nations and regions of the United Kingdom.
1139. The growth in the number of companies working in the computer games market in Northern Ireland has risen over the

- past five years from one to 17. The growth in the number of companies and individuals developing and creating creative content for interactive media platforms — we have already heard about iPhone applications — is considerable. There is also potential to reach new markets across the globe through the continued development of our digital infrastructure; for example, Project Kelvin.
1140. Let me give you one example of the way that Creative Skillset has been intervening with employers to help reinvigorate our production sector here and meet the challenges that are coming up; I have detailed it in the submission, but it is worth mentioning now. Our Aim High scheme is a collaboration between BBC, Northern Ireland Screen and ourselves. We have brought the funding to the table and we administer the scheme. We have given 15 young, recent FE and HE graduates 18-month paid placements in our industry. Within those 18 months, they will have four four-month paid placements, moving between BBC departments and the independent production sector. They are paid the minimum wage and, during the 18 months, they go on a number of training courses provided by the BBC Academy, which, until now, only provided training for in-house BBC staff, but it is now expanding its activities. That scheme, which we launched last October, lasts 18 months. It is for 15 young people but we had 600 applications for it, as you might imagine, so the selection process was pretty brutal. We will be launching the scheme again this October, recruiting in February 2013, with a view to starting placements again in June. Each scheme costs about £500,000 to administer and run. Through funding from Creative Skillset, Northern Ireland Screen and the BBC, we are investing a lot in that scheme.
1141. I see two priorities for action in the immediate future. The first is the development of higher level entrepreneurial and business skills to enable our local companies to enter into and thrive in the global marketplace. The second, picking up on a point that was made in the previous presentation, is the teaching and expansion of skills needed to create a significant sector specialising in visual effects for the film, television drama and documentaries sectors of our production output.
1142. Last year, the report from the office of the Northern Ireland Adviser on Employment and Skills recognised creative industries as an emerging sector in the local economy, and we are confident that this inquiry will help the Administration here to recognise the value of strengthening its support of and engagement with the sector to help develop its contribution to the local economy's growth and future prosperity.
1143. **The Chairperson:** Thank you very much. Alasdair, while you are here, I will make use of the fact that you have a vast insight into Creative Scotland, which has come up in our inquiry probably every week. We talked about the creation of a hub in Northern Ireland. We have heard about the options of a creative tsar, and have now heard about a creative ecosystem. Will you discuss some of the issues around Creative Scotland, how it was developed, your assessment of it and how such a model could work in Northern Ireland?
1144. **Mr Alasdair Smith (Creative Skillset):** Sure. The first thing to flag up is that Creative Scotland, as a non-departmental public body (NDPB), probably had a longer gestation period than that of an Indian elephant, because it was first mooted during the previous Labour/Lib Dem coalition Administration, which is now, of course, three Governments ago. As I am sure you will have heard, it was created to bring together Scottish Screen and the Scottish Arts Council to produce a unified body dedicated to supporting the creative industries in Scotland and helping to develop them economically and culturally, but also, now, it is much more interested in the community impact of arts and creative practices in various places around Scotland. This is now its second year of full operation,

- and there are signs that it is now starting to bed down quite effectively.
1145. I think the singular advantage is that there is now a single policy body or government agency responsible for helping to develop and support all elements of the creative industries in Scotland, from small-scale arts and crafts practitioners right through to large publishing companies, production companies and computer games companies. It cuts across that swathe of organisations of different sizes, different kinds of outputs and different kinds of creative products. Sitting behind that — and this has been referenced this morning — we have a much more streamlined government. I think that is as a result of the SNP first going into government as a minority Government and now having a singular majority. That certainly does help the decision-making that sits behind those public bodies.
1146. We also benefit from very strong ministerial support. There is now a Cabinet Secretary for the creative sector, so the lines of communication right through to the heart of government are actually much shorter and less convoluted than perhaps they once were. We also have a network of other NDPBs that all have various levels of connectivity to what is happening within Creative Scotland and to bodies like ours, as well as to CC Skills. We have a very powerful collaborative arrangement with the enterprise agencies, for example, with the education bodies, the Scottish Qualifications Authority, the Further and Higher Education Funding Council and Skills Development Scotland, which supports apprenticeships and other workplace training. We maintain very positive links with all of those bodies, and they are all unified around common goals, which are about promoting and driving the growth and economic success of the creative sector. We are very clear that our role within that is to highlight where we can help to drive and support growth through developing skills.
1147. In short, the unification of the Government's interest in the creative industries around Creative Scotland provides a unique focal point for development. It certainly helps to bring together other agencies where they have got a role to play, and the relationship that we and CC Skills have with those bodies is vital in representing employer interests and intelligence on where those skills issues are emerging and where we predict them in to do so in future.
1148. **Mr Simon Dancey (Creative and Cultural Skills):** What is interesting about Creative Scotland is what a lot of academic research has shown at the moment, and it was touched on by some of the previous presentations. Look at the history of the creative industries and the original Department for Culture, Media and Sport reports from the late 1990s. There is a bit of an artificial divide between the cultural and what people see as commercial creative industries. When you actually analyse those two things, you see that people move between the two. They tend to work in the publicly subsidised sector, learn skills there and then take them to the commercial sector to exploit. What has happened is that a lot of public policy, not just in the UK but internationally, is just looking at the commercial and the digital. I think it is a real failing, and Creative Scotland is trying to address that by bringing together the digital, the commercial and the publicly subsidised.
1149. The reality is that the relationship is much more complex. Individual practitioners just move between the two and learn their skills in the two, and you cannot just say, "We will focus on a policy that is about visual creative media and commercial business." It does not work. That is borne out, as well, when you look at the sector and the people employed. You see that huge numbers are often not working within the digital sector. They are working in design and in theatre or backstage theatre as well.
1150. Creative Scotland is pretty strong, but it is not perfect. Those of us working in Scotland realise that it is bedding in and that the policy has not quite come through yet. My plea is that you look

- holistically at how we are developing skills and at the creative industries, and not just to move with the commercial and the digital. They are incredibly important, and I do not argue against them, but you have to look at how they relate to the visual and performing arts and the role of organisations like the Arts Council as well.
1151. **The Chairperson:** Clearly, there has been a change in mindset, from government right down, so it has to be looked at holistically, as you said.
1152. **Mr Dancey:** Look at Wales, for example. I am a former trustee of the Arts Council of Wales. The argument there was that they were worried about combining the Arts Council of Wales with Screen, the Welsh film agency, because film broadcast was so powerful in Wales that it would then suppress a lot of the cultural areas. I am not saying that is necessarily an argument against doing what Creative Scotland has done, but it is an argument for being aware of the two different sectors and the dynamics and the tensions between them.
1153. **The Chairperson:** The common theme throughout this is the difficulties involved where you have those in the pure arts and those in the commercial arts, and that they cannot work independently. However, at the same time, it is very difficult to bring them together, particularly if you are a pure artist. Obviously, that is where you come in as well, in relation to the entrepreneurial skills and being able to develop that, for them to realise that there is a market for their skill. It is obviously a challenge.
1154. **Ms Graham:** It is. It is something that is recognised within the sector. Where people are working across the creative industries, if they want to make money from it, they need to become more entrepreneurial. For many people in the more traditional arts, some of those opportunities might well lie in the digital sector and in helping to shape and inform the content for those digital platforms. Ian and I do a lot of work together. We put a project together last year. That was digitally focused overall, but it was about —
1155. **Mr I Kennedy:** It was about bringing together independent television producers and digital content designers and providers. To take an example — a high-end example — visit the ‘Dr Who’ pages on the BBC website. There, as a result of an iconic television programme, you can download computer games, get information about ‘Dr Who’ books that are written and published, or go into Toys R Us and buy your ‘Dr Who’ dalek helmet or cyberman head, which have been digitally designed and produced. So, getting one, iconic network television commission can spin off into all sorts of other areas of our industries and benefit all sorts of other sectors of our industries.
1156. Taking Simon’s and Sara’s points, we still tend to come at things from a more commercial angle. It is about employment and developing people with the right skills to be employable and, hopefully, in the future, to be the leaders of our creative industries, not just in a creative sense but in an economic sense.
1157. **The Chairperson:** Why is the skills gap more prevalent in Northern Ireland than in the rest of the UK?
1158. **Mr I Kennedy:** In my sectors, it partly goes back to what was said before in that we have probably been too local in our vision. There are a number of reasons for that. We have always faced a credibility problem, and I am sure that it is not just restricted to the creative industries sector of our economy. In selling ourselves to the rest of the world — and even in broadcasting, for example, selling ourselves to the rest of Britain — we have been known for one story. Every broadcaster in Britain recognises that, in Northern Ireland, our broadcast journalism is of an extremely high standard. However, it has been very difficult to get the Northern Ireland producers onto the network in other genres of broadcasting. That is changing, and, to be fair, the BBC has adopted a new approach in Scotland and Wales. It has agreed that its spend

in network production in those regions will be based on the population size. Northern Ireland represents 3% of the United Kingdom population, so 3% of the BBC's network spend will be spent here. That does not sound like a lot of money, but if you start from the position of five years ago, when 0·1% of the BBC's network spend was spent in Northern Ireland, it means that we are probably moving from a spend of between £2 million and £2·5 million to a potential spend of up to £35 million by 2016. That effectively doubles the BBC's entire spend in Northern Ireland. That is great, and that is what I mean about the optimism and the opportunity. However, do we have the workforce that is skilled enough to meet that challenge? Since we have been so locally focused and not getting that work at network level, we have got to challenge ourselves and say, "No, we have not got the workforce." We have to start addressing with ourselves that skills base in a much more dynamic, realistic and honest manner.

1159. **Mr McGimpsey:** Thank you very much. I find that very interesting. You mentioned Creative Scotland and said that it took the Lib Dems two or three terms, voting around with Labour. That is about eight to 12 years. Believe me, in Northern Ireland terms, that is very attractive. There is a real lesson in the streamlining and unification of Scottish Screen and Scottish arts, and the Committee needs to look at that in-dept. Those who gave evidence in the previous presentation said that Scotland and Northern Ireland were different, but, as we know, historically, the ties between north-east Ulster and south-west Scotland are extremely strong. There might be a differential in the population, but there are very strong lessons there for us. We need to look at that, because Scotland is well ahead of us.

1160. There is another part that interests me. I understand that students go to the University of Ulster. They have three A levels; they get into their creative industries degree course; they come out with a degree; and away they go, hopefully. However, a large section —

50% — of our young people never smell university; they have no chance. How do we help them? They are youngsters with creativity built into them. They can do the things that relate to the new technologies that are going about that those of us who are much more experienced and older could never do. How do the creative apprenticeships apply in Northern Ireland? You talked about 15 in Northern Ireland. That seems to me to be a productive area for us, potentially, although I am thinking of a lot more than 15. How do we develop that? You have 15, and you have 600 people looking for work. There is a lot of disappointment out there. How do we expand that? What is the key? Is it down to government money? Is it down to the size of the industry here, because it is not big enough to take on large numbers of apprentices? Do we need to look a wee bit further afield? It is about how we get to those youngsters who, effectively, leave school at 13 or 14, because they just do not go back to school. They have very poor skills to take to the marketplace. Traditionally, they would have had apprenticeships in other areas, but many of them would have the skills and ability to get involved in this.

1161. **Mr Dancey:** We pioneered the first creative apprenticeships. The model that we looked at was the model from Australia. It was very clear about what we would do. It was about providing wage subsidies and training at FE level or HE level, depending on the level of apprenticeship. It was also about identifying mentor employers. That was the model that we decided to roll out. Apprenticeships are different across the UK. Apprenticeships in Scotland are slightly different to apprenticeships in Wales, which are slightly different to apprenticeships here in Northern Ireland. It is the model that has been proven to work, and it is about identifying those young people who are not going to university. It has the knock-on effect of helping and supporting existing businesses to build their capacity as well.

1162. Somebody spoke earlier about having a big bang. Apprenticeships are clearly a great way of bringing young people into the sector. Not only should we look at the model, set up a wage subsidy, ask ourselves should we involve the public sector and whether it should be done as it is done across the rest of the UK, although it would be interesting to look at that, but we should provide good careers advice to young people, so that they can see how they can get apprenticeships. You have got all these people, and there are shortages in technical theatres. There is a huge area of growth. People could have jobs, but we do not have the trained people available. So, we should provide clear careers advice about how they can get into the industry, ensure that apprenticeships work and that they are supported by government, look at wage subsidy, look at the colleges — FE and HE — to provide the training alongside that as well, and then start to recruit people. You then have the knock-on effect of helping to build the businesses that those young people are coming into.
1163. **Ms Graham:** To pick up on your point that they have been very commonplace in other industries: they have not been in our sector — certainly not the kind of formal apprenticeship frameworks that are approved by government. So, there is definitely a job to be done in educating our sector about the opportunities of apprenticeships and letting them know how to recruit in that way and give those opportunities to young people. Having done the initial engagement to get our pilot up and running, the sector is very interested in apprenticeships and very supportive. It really likes the idea of investing in young talent coming through, and also to have this credible vocational pathway for training in its organisations. However, as I said, there are challenges around microbusiness. If you have a staff of only two or three people, it is quite hard to take on an extra member of staff; it is a big undertaking. That is where the wage subsidy comes in, and it has been an enormous help to employers in England and elsewhere in the world, and in Wales, which had the whole model. That is a big challenge.
1164. I understand why DEL does not fund apprenticeships in the public sector or arm's-length public bodies. However, that restriction does not happen anywhere else in the UK. Considering the number of venues and theatres we have that are linked to their local authority and the number of cultural venues and arts centres that are all tied in, that places restrictions, especially, as Simon said, as some of our key skills gaps are around those technical areas. There is an enormous opportunity to communicate that vision and opportunity of apprenticeships to our sector and to get the word out to generate those opportunities, and it is something that we are keen to do.
1165. **Mr McGimpsey:** OK. Tell me this: how many years does a creative apprenticeship last?
1166. **Ms Graham:** It depends on the individual. However, at the minute, we have them approved at level 2 and level 3, so the length of time would depend on what level they were at. Typically, a level 2 might take around a year, and a level 3 might take up to 18 months.
1167. **Mr McGimpsey:** That is quite good. For a bricklayer, a joiner or an electrician it is three or four years. However, that is if they can get the apprenticeships — again a DEL problem. The key thing appears to be DEL.
1168. **Ms Graham:** Yes; there are challenges around the guidelines, and that is something that Matt Johnston touched on when he gave his evidence on behalf of Digital Circle. Given the way that the structures are set up, it is certainly easier for larger employers to take on apprenticeships, rather than smaller microbusinesses or small and medium-sized enterprises, because of the guidelines around the minimum of 21 hours a week when they must be employed. All of those are good things, and I encourage that employment model. However, I wonder whether we can discuss the issue of more flexibility

around that, particularly for our sector. A massive amount of our sector — 45% — is freelance/self-employed, and 78% are microbusinesses, which is five people or fewer.

1169. **Mr I Kennedy:** A further real challenge for our sector, certainly in the creative media part of it, is that recruitment has, traditionally, tended to be at level 5 and above. You are absolutely right: personally, I believe that, because of the controversy surrounding tuition fees, a lot of young people may automatically decide not to choose university. We are in danger of losing a lot of very creative young people unless, as you say, we find a way to grab them at 18 years of age.
1170. **Mr Smith:** This time last year, Scotland had no apprentices whatsoever. Yesterday, I checked the registrations, and we have 203 across fashion textiles and digital media. The single biggest breakthrough we had was BBC Scotland committing to recruit 10 apprentices on a one-year contract, and its plan is to recruit 10 every year for four years. They will be on a fully employed status for that year, but they will be thrown out into the freelance marketplace when they complete their apprenticeship. That is one of our big challenges. We are not preparing people for a job, but, through apprenticeships, we are preparing people for employment and providing them with the qualifications needed for that.
1171. To emphasise the scale of the challenge, we had over 700 applications for 10 apprenticeship places. We are now going through the process again and will have a similar number and possibly more, as more people know about the programme. It has been very successful. I spoke to the 10 apprentices on their induction day, and they all looked like frightened rabbits. I spoke to them about two or three weeks ago to offer them opportunities to articulate on to further and higher education programmes through our academy network — that is an interesting progression in its own right — and you would be hard-pressed to find a more confident, articulate and smart bunch of youngsters. I am sure that your experiences with creative apprenticeships will be similar.
1172. Interestingly, other organisations are now looking at that framework and want to take it on. We have nine apprentices starting through the campaigning body Young Scot. They will not be trained within Young Scot; they will be employed there, but they will be farmed out to communications departments and digital media departments in other organisations, including government agencies, such as Creative Scotland and Historic Scotland, and the communication and marketing departments of local authorities.
1173. Therefore, we are starting to see the potential for apprenticeships that develop creative digital skills within a wider marketplace than what you might think of as the traditional media markets. We are very excited about how we can continue to develop that and how we can expand the pathways that are available through the framework to include more targeted pathways in disciplines such as post-production, web development, advertising, etc. We are very fortunate to have the support of Skills Development Scotland to help fund the training costs. Skills Development Scotland also provides an employer recruitment incentive that can be worth up to £2,000 to employers that take on a young person. In keeping with what Simon said, anything that can be done for small and micro companies to give them a bit of help towards employment and recruitment costs is invaluable.
1174. **Mr Dancey:** One of the most successful areas across the UK is Wales, as the Welsh Government introduced a wage subsidy. I work in the skills sector across Scotland, Wales and Northern Ireland, and you start to see the pictures of where things work and where the right levers of government and policy can help things to work. Wales got it right. They identified the creative industries as the priority sector in government and decided to put some money into supporting a wage subsidy for employers. It is not a huge amount

of money, but it is enough to make small employers come to the table and make it work for them. It is about enacting policy in a practical way that has an end result. We are like Creative Skillset in that our aim is to get people into sustainable jobs. That is what we are about, and that is true whether it is the creative media sector or the cultural sector. An apprenticeship is a great way of doing that, and, as policymakers, you have the opportunity to put something into place that could help create jobs relatively easily.

1175. **Mr Smith:** Another way of making it work is shown through our experience with knitwear manufacturers in the Scottish Borders. We now have 13 of the leading high-end cashmere producers collaborating on an industry-wide local apprenticeship programme. Currently, 50 apprentices are signed up and they want to recruit another 50 in the coming year. We got additional public support to help to develop the training and assessment infrastructure and the administrative capacity to manage that programme. Without that central support, it would not have happened across those 13 companies. That programme has been so successful that other companies in the area want to come on board, and the Scottish Textile Industry Association, the national trade body for the sector, is looking at the model and how it can roll it out across the rest of Scotland. Anything that can be done to provide support and help bring employers together to work collaboratively would be useful. The phrase that is used down south, in England, is “group training association”, but really that means pulling together employers and providing central support. With that structure in place, it becomes easier to work towards apprenticeships.
1176. **Mrs Hale:** Thank you for coming today. My questions are about the apprenticeships. What are the minimum qualifications for entry, given that, as Michael says, a lot of creative younger people are not academically minded? Who identifies and develops the courses that will suit those younger people?

Simon talked about the importance of transferable skills. What are the opportunities for mature students? If a carpenter or electrician wanted to go into set design or become a lighting engineer, would they be able to access those apprenticeships to transfer their skills?

1177. **Ms Graham:** A lot of those are set out in the DEL guidelines. There are quite strict restrictions on who can access apprenticeships. You cannot if you have a degree or tertiary education, basically. So, minimum qualifications are not such an issue as it would not necessarily preclude people without any qualifications. In fact, the people on our pilot have a mixture of qualifications. A core part of the apprenticeship qualification is essential skills; government have made that provision. Someone might come without the basics in numeracy and literacy — a GCSE in maths or English — but that is built into the apprenticeship framework. In fact, it is compulsory, and that can present problems in its own way. So, the minimum requirement for entry is more about the personal spec or what the employer is looking for in a candidate. Qualifications are not as much of an issue. I have forgotten the other elements of your question.
1178. **Mrs Hale:** Who identifies and develops courses? How do you know what industry needs?
1179. **Ms Graham:** That is an ongoing exercise. Anybody who is developing those courses does so with industry, and we identify the key skills gaps. We have an apprenticeship framework in technical theatre, and we work with theatre technicians and the whole performing arts sector to understand what skills the employer needs and, therefore, what should go into that qualification. That is how it happens. We then take that qualification to government for approval. Effectively, it is signed off by the industry and approved by government, and there is all sorts of rigour around that with apprenticeship frameworks. It is then on a public

- government framework to be accessed by employers.
1180. **Mr I Kennedy:** Side by side with the apprenticeship framework, there is a tremendous amount of work for FE colleges in that regard, especially with the vocational professions that you mentioned, such as carpentry and electricians. It would be terrific if the FE colleges added an extra module on specialism in lighting design on a set, or set construction in film and television. I do not know if any of you have been around the set of 'Game of Thrones' in the Paint Hall, but the craft skills that have gone into creating those magnificent sets are amazing.
1181. A couple of years ago, a make-up artist came to me to say that she had been contracted by 'Game of Thrones' and she needed very quickly to get hold of eight or nine make-up artists in Northern Ireland. That was terrific, solid work for six or seven months. She put out a call and some very well-presented young ladies arrived with their boxes and beautiful make-up, and she said, "Can you do scars, hair and blood?" and they looked at her with horror. There was no module in their FE course about stage, film and television make-up. We have been lobbying hard to try to get those little extras into that because, undoubtedly, the growth is there in our sector and in film and television drama, and it will definitely increase. Those sorts of craft and technical skills will blossom if we get the training right.
1182. **Mr Dancey:** It is worth looking at England; even though I look after Wales, Scotland and Northern Ireland, I occasionally look at England. That is where apprenticeships were first launched in the creative industries, and they brought together a group of 20 FE colleges as a membership organisation across the whole of England and looked at developing specialisms with those FE colleges to deliver apprenticeship frameworks. It is exactly what you said. They brought the FE colleges in through a formal relationship. Sara talked about our National Skills Academy model. One of the things that we plan to do in Northern Ireland is to have that dialogue with both the FE sector and the HE sector and bring employers together.
1183. The creative industries change so quickly, and it is the same right across all our footprints. What was common practice in animatronics, make-up or prosthetics two years ago is now gone. You have to constantly reinvent the frameworks. It is one of the fastest changing areas of the economy. However, bringing FE in and having a formal relationship to influence what is done is a good way of ensuring that apprenticeships and continuing professional development are in place.
1184. **Mr Smith:** Much of that development will be based on national occupational standards of performance, which both Creative Skillset and Creative and Cultural Skills develop through an ongoing process of engagement with industry. There are industry-accepted standards of performance and clear learning outcomes that can inform and influence the design of coursework at FE and HE level. Ensuring that all those pieces join together means that the experience of the student or candidate and the outcome for industry is as closely matched as possible.
1185. **Mr McMullan:** Thank you for your presentation. You keep using the word "freelancers". It sounds like a disease. Why do you not just call them self-employed? There is a barrier in not saying "self-employed". One of your problems is that the marketplace is so volatile. It is interesting that nine out of 10 people working in film production are self-employed, while three out of 10 people working in the TV industry are self-employed. There has to be some sort of rationale for that.
1186. We talk about apprentices, but I do not buy that. You cannot be an apprentice for one year. It could be a smokescreen in the industry. While you are trying hard to do what you are doing, I do not think that we should go down the road of building false hope that there are apprenticeships out there. For example, how many apprentices does the BBC

- take on at the minute? Can anyone tell me? The BBC cannot tell me. It does not have any that I know of. It does not have an active programme of taking on a young boy or girl as an apprentice and bringing them on to be whatever.
1187. **Mr I Kennedy:** The BBC works with Community Service Volunteers.
1188. **Mr McMullan:** It works with outside bodies, but it does not take on apprentices as direct employees. You talked about ‘Game of Thrones’, which was terrific, but a lot of the lighting and design people were brought over from England. That has to be a problem.
1189. **Mr I Kennedy:** I will address that specifically. Creative Skillset and Northern Ireland Screen provide a significant amount of funding every year to support ‘Game of Thrones’, in bringing on a whole range of trainees, from carpenters and plasterers to assistant production managers and accountants. On series two of ‘Game of Thrones’, six accountants were being trained in film and television accountancy. Creative Skillset and Northern Ireland Screen are taking advantage of ‘Game of Thrones’ being here to provide very specific opportunities for a number of different roles in the production.
1190. **Mr McMullan:** I have looked through your document very closely, and the Irish model is not mentioned once; not once. Tax breaks and incentives for the film and television industry are a lot higher down South. We keep mentioning the Scottish, English and Welsh models, which are all fine in their own field. However, we have on our doorstep an industry that gives more incentives and tax breaks. We have a large television corporation, RTÉ, at our back door, but it is not mentioned once. Why is that? We have the incentive to give people bigger tax breaks, which is what it is all about. The BBC and our own industries are making programmes down South. They go to Europe to make the large programmes that we have watched on television recently. Why can we not have a joint approach with our counterparts in Ireland, rather than working with Scotland, England and Wales all the time? We have a big industry at our back door, but we are not utilising it.
1191. **Mr I Kennedy:** Screen Training Ireland provides training for a lot of Northern Ireland-based freelance —
1192. **Mr McMullan:** Why is it not mentioned in your document?
1193. **Mr I Kennedy:** Because it is a private training organisation.
1194. **Mr McMullan:** But we have mention of England, Scotland and Wales in here.
1195. **Mr I Kennedy:** I do not think we mentioned any training organisations in Scotland.
1196. **Mr McMullan:** It does not matter whether it is training or anything else. If there is a vehicle there for improving our industry —
1197. **Mr I Kennedy:** Creative Skillset works with a range of training organisations in HE, FE and the private sector. One of the organisations we work with is Screen Training Ireland, which provides training. That said, Screen Training Ireland requires people to travel to Dublin or wherever for training. We believe that the more localised training you can provide, the more people are likely to take it up, so our emphasis is on trying to encourage private training organisations here to develop, and also for continuing professional development courses to be developed, through the Creative Skillset Media Academy Network, for example, to encourage more local people to take up local training.
1198. **Mr McMullan:** I totally agree with that; but we are spending £500,000 on training how many people?
1199. **Mr I Kennedy:** Fifteen people, over 18 months, paid at minimum wage.
1200. **Mr McMullan:** That is in collaboration with the BBC and —
1201. **Mr I Kennedy:** And Northern Ireland Screen.
1202. **Mr McMullan:** Could we not even look at collaboration with RTÉ or some of

- the other industries there to see if a scheme there could work? You talk about having to travel down — Lord save us, it is an hour and a half or two hours down the road.
1203. **Mr I Kennedy:** It is not for me to speak about RTÉ's finances at the moment, but, as you know, RTÉ is a contracting organisation at the moment, as is the whole industry in the South. It has been extremely badly damaged financially, whereas we are seeing growth here through the development of Channel 4 programming and BBC network programming. Our colleagues in the South are only looking at contraction. Therefore, there is a considerable worry about oversupply of a workforce, especially in the Republic of Ireland.
1204. **Mr McMullan:** I take what you are saying, but surely, if you have an industry at your back door, we should at least be looking at its potential.
1205. **Mr I Kennedy:** One of Northern Ireland's most successful independent production companies, Green Ink, produces RTÉ 1's daily afternoon show, and has set up a major production office. A lot of its employees move between Belfast and Dublin to work on that. That is probably one of the biggest contracts that RTÉ gives out, and it is to a Northern Ireland company.
1206. **Mr McMullan:** That is good to see, but it is not in your document.
1207. **Mr I Kennedy:** Sorry; it is not my role to talk about independent companies' contracts.
1208. **Mr McMullan:** But it is my role to look at a report, and that is why I am asking you. I am not criticising you; I am only asking why it is not in there, because that example gives people hope that we are collaborating.
1209. **Mr I Kennedy:** I accept that. It is a perfect example of a company that has developed its entrepreneurial and business skills, which we were talking about, to move into a new and different market.
1210. **Mr McMullan:** That is what it is all about; it points out that we have another industry on our doorstep. We do not have to be crossing the sea all the time.
1211. **Mr I Kennedy:** When we talk about the freelance workforce, you will find that an awful lot of freelancers in Northern Ireland work regularly across the border as well, because the nature of being freelance — or self-employed, if you will — is to go where the work is, and they do.
1212. **Mr McMullan:** Exactly. Do you agree with me, then, that the tax breaks in the South of Ireland are substantially better and are a vehicle for attracting more —
1213. **Mr I Kennedy:** I would have said that before the Budget, but now the Budget has extended those tax breaks to high-end television drama, animation, gaming and other areas, so now we are in a much more competitive situation.
1214. **Mr McMullan:** Television too?
1215. **Mr I Kennedy:** Yes. High-end television drama has now been included in the tax breaks. You have to remember that, in that sense, Northern Ireland and the Republic are in competition to attract inward investment from those productions, and always have been. Now, as a result of those tax breaks, Northern Ireland has been put in a more advantageous position.
1216. **Mr McMullan:** Can we get it into our psyche that we have another industry here in Ireland and can look at examples on our doorstep, rather than having to cross the sea all the time to look at examples? That is all that we are asking: to get over that barrier of mentioning Ireland along with the rest.
1217. **The Chairperson:** Mr McMullan, I think that point has now been made.
1218. **Ms Graham:** May I pick up on the apprenticeships? What you were saying there sounded almost — I do not want to say misleading — as if you were asking where we were going with apprenticeships and other opportunities. I am not sure that I entirely understand that, but the point is that they have not

existed in our sector before, and we are trying to create those opportunities.

1219. We realise that there is a job to be done to communicate those opportunities to our employers and make young people aware that they can access them. We need to let employers know that this is a credible way to recruit and train people. That is a culture change for our sector. That is all part and parcel of rolling out those apprenticeships, and we recognise that that is not going to be a walk in the park. However, we are committed to doing it because we feel that the benefits are worth it. I hope that, in the long term, there will be very good employment routes through apprenticeships.

1220. **Mr McMullan:** That is good.

1221. **The Chairperson:** Thank you very much for coming today and sharing your experience and knowledge of this area with us.

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*
 Professor Greg Lloyd *Ulster*
 Professor Ian Montgomery
 Dr Colm Murphy

1222. **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?
1223. **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.
1224. 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.
1225. 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.
1226. 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.
1227. 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.
1228. 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.
1229. 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.
1230. 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.
1231. **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.
1232. 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.
1233. 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. Its 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.
1234. 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.
1235. 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.
1236. 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.
1237. 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.
1238. 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.
1239. 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.
1240. **Professor Montgomery:** I will add that Mr Lloyd comes from a planning and creative industries perspective.
1241. **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?
1242. **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.
1243. 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.
1244. 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.

1245. **The Chairperson:** Do you think that could be replicated in a different manner for Northern Ireland?
1246. **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.
1247. 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.
1248. **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?
1249. **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.
1250. 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.

1251. **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?
1252. **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.
1253. 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.
1254. 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.
1255. **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.
1256. **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?
1257. **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.
1258. **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.
1259. 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.
1260. **Mr Hilditch:** The Creative Futures programme — is that the INTERREG bid?
1261. **Mr Brundle:** Yes.
1262. **Mr Hilditch:** That has been answered then. I have my Finance Committee hat on and was interested in that aspect.
1263. **The Chairperson:** On the Creative Futures programme, what lessons did you learn from your partners in Scotland?
1264. **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.
1265. 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.
1266. 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.
1267. **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.
1268. **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.
1269. 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.
1270. 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.
1271. **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?
1272. **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.
1273. **Mr McMullan:** There is a very volatile market out there. I am very ignorant about this: how many graduates come out every year?
1274. **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.
1275. **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.
1276. **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.
1277. **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?
1278. **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.
1279. **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.
1280. **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.
1281. **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?
1282. **Mr Brundle:** As you are probably aware, Invest NI is a delivery agency, and DETI —
1283. **Mr McMullan:** Regarding that —
1284. **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.
1285. 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.
1286. **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?
1287. **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.
1288. **Mr McMullan:** Sorry; I want just to finish off. I will be very quick —
1289. **The Chairperson:** Professor Lloyd just wants to come in on that point.
1290. **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.
1291. 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.
1292. **Mr McMullan:** The problem lies here.
1293. **Professor Lloyd:** Absolutely.
1294. **Mr McMullan:** So it has to start from here. That is interesting.
1295. **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?
1296. **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.
1297. **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.
1298. **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.
1299. **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.
1300. **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.
1301. **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?
1302. **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.
1303. 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?
1304. If you are a high-end craftsman 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.
1305. **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?
1306. **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.
1307. 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.
1308. **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.
1309. **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 —
1310. **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.
1311. **Mr McGimpsey:** I apologise for arriving late.
1312. 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?
1313. 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?
1314. **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.
1315. **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.
1316. 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 —
1317. **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?
1318. **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.
1319. **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.

3 May 2012

Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
 Mrs Brenda Hale
 Mr Michael McGimpsey
 Mrs Karen McKeivitt
 Mr Oliver McMullan
 Mr Robin Swann

Witnesses:

Mr Peter Hutchinson	<i>Landscape</i>
Mr Alastair McCapra	<i>Institute</i>
Mr Peter Mullin	
Mr Jo Watkins	

1320. **The Chairperson:** I welcome Jo Watkins, Peter Hutchinson, Pete Mullin and Alastair McCapra. I am not sure who would like to lead off. Is it Mr Watkins?
1321. **Mr Jo Watkins (Landscape Institute):** I am afraid it is me; I drew the short straw. Good morning, and thank you very much for inviting us to be here today. My name is Jo Watkins, and I am president of the Landscape Institute, which is the chartered professional body for landscape architects in the United Kingdom. I am a landscape architect. I am joined by my colleague Pete Mullin, who is a landscape architect with a private practice in Belfast. Pete sits on our national policy committee. Peter Hutchinson is also a private practitioner landscape architect in Belfast and is an elected member of our national advisory council. Alastair McCapra is chief executive of the Landscape Institute. In a moment, I will get Peter to talk about some of the issues. Rather than going through our response paper, Peter will talk about some of the issues particular to him and his colleagues working in Northern Ireland. First, I invite Alastair to explain a little bit about what the Landscape Institute is and what landscape architects do.
1322. **Mr Alastair McCapra (Landscape Institute):** Thank you very much. I am not a landscape architect; I am the only one of us who is not. However, I run the national office in London on behalf of the profession.
1323. There are just under 6,000 landscape architects in the UK. In Northern Ireland, there are 75 chartered landscape architects, and if you include trainees and students, the total is 115. There are 17 registered landscape architect practices in various parts of Northern Ireland, mostly in Belfast or clustered fairly close around it.
1324. Landscape architects work on all kinds of schemes of different scales and sizes. Some examples are included in the documents that we have given you. The scheme with the highest profile in the UK at the moment is the Olympic Park. However, the scale goes right down to squares, public gardens, quaysides, waterfronts, school grounds, new housing developments and anywhere there is a public space where people are going to be moving around and interacting. Sometimes, a scheme requires a hard space to be designed for large numbers of people to go through it and to be able to take quite a beating. Other schemes require is a softer space, and some can be very specific, such as a memory garden for people who have Alzheimer's.
1325. All those things are projects that landscape architects work on. Sometimes they lead the project, sometimes they largely execute it themselves with contractors, but very often they work in conjunction with architects, engineers or other professions. So, it is a very wide-ranging profession, but my colleagues here, who are landscape architects, will be able to tell you more about it, perhaps during the question session.
1326. **Mr Peter Hutchinson (Landscape Institute):** Hi, everyone. I am going to talk a bit about myself as an example

- of someone who lives and works as a landscape architect. I will then talk a wee bit about the present situation and how we are finding it. Then, I will maybe talk a little bit about hope, because I do not want to be all doom and gloom.
1327. You can always tell a designer, because you are either a man of the cloth or you wear black. That is part and parcel of the uniform. I have been a designer for 40 years. Although I am a landscape architect, I am also a chartered designer, an illustrator, a product designer, a print maker and an artist. However, primarily, I am a landscape architect.
1328. I have worked in the public sector and the private sector. I worked on Craigavon Development Commission, which I am not too sure too many of you will be able to remember. Then, I started my own practice, which I have been in for 30 years. For 20 years, I was also a teaching fellow at Queen's University, so I delivered design in the school of architecture. I also did a landscape elective, so I am very much into landscape architecture and design.
1329. I am not sure if anybody knows the sort of work that I have done. If you are up at Belfast International Airport and walk from the airport to the car park, all of the landscaping that you see was designed by me. Colin Glen, which is now the biggest linear river valley and the biggest trust in Great Britain, was designed in 1983. That is still being developed and is still providing masses of employment and work. I did the Bow Street Mall, which was the first commercially developed pedestrian street scheme outside the centre of Belfast, and is still probably the most successful one. A recent project was the RUC George Cross garden, which some of you may have been to. It was opened by Prince Charles and has won 10 awards. I am working at present on Castle Hill, Dungannon, where the O'Neills had their castle during the Flight of the Earls. The range of work is wide: it can be industrial, residential or commercial.
1330. I feel passionate about design. I have vast experience but I am not the only one. The institute is made up of a lot of small practices of one, two or three people. There are one or two big international practices but it is still very much a range of practices of under three people because, obviously, we work with 20 companies and have 70-odd chartered members.
1331. The tragedy is that we have been so badly hit by the present economic situation. We are also castrated to a certain extent by the system itself. We lack, could I be so bold to say, an intelligent client. I will give you a couple of examples, and this is not personal, by the way. The procurement process is a wonderful thing but it is like a dinosaur. It is so time-consuming, and then there is the cost. It is geared to the big practices. If you have a machine that fills the form in properly, it does not end up with the best. It had great intentions. Now, no matter many how many awards I have and all the rest of it, I virtually cannot get a job in Northern Ireland. It has nearly become exclusive to all the practices, and some, I know, are struggling, to say the least.
1332. We talked about education. I am at the end now. I have had 40 good years at this, and I have enjoyed it and will still keep working. However, the younger ones are coming in. I offered the course of landscape architecture to Queen's University on a plate. It decided not to take it up for the most spurious of reasons, so we got it into the University of Ulster about four years ago. We got it going for a year, and then there was a bit of a hiccup, so we put it on ice for a year. It was going to be relaunched this year with landscape architecture and urban design, with landscape architecture at the core. One of the things that made Northern Ireland special was its courses. What did they do? Twenty-four hours beforehand, they pulled the plug. We were not given a reason. All the structure was in place and everything was lined up. It seems illogical that we would do that if we want to support innovative and creative

- design in Northern Ireland. We have fantastic assets and resources here. We are not asking for something special here. All we want is a level playing field so that we can compete like anybody else.
1333. We would hope for investment in design for the return of landscape architecture. The park in Dungannon cost £1 million. The work has been going for four years. There are contractors, fabricators and earthwork contractors. It is generating work for a lot of people, and we will end up with a park that will be part of a visitor attraction. There are 700 people coming for the opening, 400 of them from America. The Irish President, Michael D Higgins, is opening it. The police will be here as well and will be joining him. There is obviously something very important in it. The value we give for the very small amount of money that is expended is tremendous.
1334. I want to finish on the issue of the next generation. I got a letter recently, on 30 April, from Terence Murphy, a young student who recently graduated. He mentions PLACE, the centre for planning, landscape, architecture, community and environment, which is on Fountain Street and is run by Conor McCafferty. Terence said:
- “I recently called into Place on Fountain Street and Conor McCafferty passed me your details in order to get in contact with LINI. My general query is just regarding graduate/junior landscape architect positions in Northern Ireland. Having graduated in landscape architecture from Manchester (having had a previous background in landscape planning/assessment & development control) last June and speculatively sent my cv out to many consultancies I am now of the opinion that the opportunities in the medium-long term are non-existent. Do you foresee any improvement in opportunities or is this a career path that has become obsolete in Northern Ireland?”*
1335. I do not want to be sad, but it affects me in the sense that, because of the amount that you have put into it, you want it to continue, and that is the sort of thing that we have ended up with.
1336. **Mr Watkins:** Thank you, Peter. I will ask Alastair to conclude with a brief summary of where we think we are and what we would like to offer.
1337. **Mr McCapra:** We invite you to think about three main points during the inquiry. One is about strategy, one is about attitude, and, as Peter mentioned, one is about procurement. I will start with strategy. A number of countries and territories across Europe are moving very quickly to develop national or territorial design strategies. Denmark, in fact, is quite well advanced in creating a design strategy for the whole country. In effect, the Danish Government regard Denmark as a design business, and they are preparing a market offer, Denmark Inc, that will be going out to the world with a clear brand and a specific offer of what Denmark has that is distinctive from anywhere else. Other places are doing similar things, but they are not always called design strategies. In Wales, it is called an innovation strategy. Right across Europe, smaller countries in particular and territories such as Catalunya are doing the same kind of thing. There is a lot of competition out there, so the question is this: where would Northern Ireland Inc like to be in 2030 or 2050, and how will you pull all of that together and make it work? If you do not have that strategic level of thinking, you will just get elbowed aside.
1338. The second thing is attitude, and this is a slightly delicate topic. I will give you a contrast. If you were to ask landscape architecture practices in England about work in Wales, they would pretty much all tell you that there is no point in bidding for work in Wales. The reason for that is that the Welsh, using the same procurement rules as everyone else and under the same European law, simply tend, on the whole, to give work to local practices. They do that legally and properly, but they have an approach to their public procurement that says that part of their job is not only to offer tax breaks and incentives but to nurture, build and sustain their local businesses in Wales. Other parts of the world have different views, but many of my members tell me that, in Northern Ireland, in some cases, the opposite

- attitude prevails, in that, if it is not from Northern Ireland, it is generally regarded as better or sexier or more exciting or more modern. They find that there is an uphill struggle against the attitude that, if it is not from Northern Ireland, it is probably better.
1339. The third issue is procurement, which Peter talked about. It is great to talk about new business sectors such as digital technology and so forth, but landscape architecture is a mature sector. The Landscape Institute has been around since 1929, and, as I said, there are 75 practitioners in Northern Ireland and 17 well-developed, mature businesses. They do not need business assistance. What they need is a public procurement system that allows them to flourish. It is significant that landscape architects have a different relationship with you as representatives of the public authority than perhaps some of the other people you have heard from during your inquiry. Public authorities here are not particularly likely to commission, for example, pieces of jewellery or ballets, but you do commission parks, pedestrian precincts, public spaces and national parks. How you go about that has a real impact on the profession.
1340. **Mr Watkins:** Thank you very much, Chair.
1341. **The Chairperson:** Thank you. It is incredibly disappointing to hear about the lack of support from our universities for landscape architecture, as well as officials' lack of recognition and understanding of what you do, as you said in your paper. Is that something that you need to take on board as well? Are you maybe not selling your message in the way that you should, or do you believe that it is really a matter for others and that you have done the best that you can?
1342. **Mr Hutchinson:** I think everybody is guilty in that respect. You look in hindsight at how you market yourself.
1343. **Mr Pete Mullin (Landscape Institute):** As landscape architects, we are quite often in the background; I suppose
- it is part of our training. We are not necessarily showy or upfront about the work that we do. Quite often, good landscape architecture goes unnoticed; it is about the stuff that you do not see and that you walk over every day without really realising. It is not necessarily a highly paid industry, but you get a certain amount of satisfaction from producing something that people enjoy. We are sometimes a bit like wallflowers when we are in a room with architects and engineers because we are not necessarily the loudest. You are right; maybe we need to shout a little bit louder and make our presence and value heard a bit more.
1344. **The Chairperson:** How many landscape architects are there in Northern Ireland?
1345. **Mr Watkins:** There are 75. There are around 4,000 in the UK. Those are professional members.
1346. **Mr Mullin:** I think that number is falling. I do not know what that figure is based on, but I know quite a few who have left in the past years.
1347. **Mr Watkins:** So, it is 75 and falling, we think. It was interesting to listen to our colleagues from Nesta who were here earlier because they are from a related sector. They spoke about how they consider themselves to be a very small organisation with, I think, 90 staff: we have 14. It is a daily struggle to explain that there is so much to do. We can see outside; we look at industrial dereliction, the need for new power, the infrastructure projects that are coming in, rail lines, road schemes and all the rest of it, and there is so much to deal with.
1348. We talked about education earlier, which is a terribly interesting sector for all of us, and yet we are a very small profession. We have to pick and choose our battles to win, which is why we are here today. It is a terrific opportunity to talk to you, and this is part of our programme of reaching out and explaining what landscape architecture is about. I do not want to talk about Armageddon, but we wanted to do that before it disappears off the face of

Northern Ireland. Northern Ireland is unique in the United Kingdom, in that the critical mass is simply not going to be there very soon. It will just not work, and you will lose those skills. The product, as Alastair was saying, is Northern Ireland. You have this extraordinary place and yet, and yet.

1349. **The Chairperson:** It strikes me that you have a job of work to do, given the fact that you have professionals based in Northern Ireland yet jobs are going elsewhere. Alastair, the point that you made about a design strategy is common to a number of presentations that we have received over the past few weeks, as is the need for a design policy. Again, perhaps you need to shout about that, too, and be at the table whenever something like that is being developed in order to make your voice heard.
1350. **Mr Hutchinson:** We have two landscape architects on the ministerial advisory group (MAG) on the built environment. Presently, Emily is producing a landscape document that is part and parcel of that, so there is a paper, but, unfortunately, it has not been submitted yet. So that ministerial advisory group has architects on it. Again, we are so small that the issue is being able to find the energy. We should maybe shout more, but you need public sector support as well. You need to have the legislation, and you need to have the people in place. When a plan comes in that includes something to do with landscape architecture, those who are dealing with it do not always say that that bit has to be referred to a landscape architect, yet they will refer it to an architect or an engineer. So it works both ways.
1351. **Mr Mullin:** The structures are not necessarily there. I practised for 15 years in Scotland. I was attracted back about six years ago, for family reasons, by the Celtic tiger and all those sorts of things; I thought I had to get over here. When I left in '89, I had no intentions, necessarily, of coming back — I was on the boat and away. I came back with a lot of optimism. I kept

my mind open as to how things were progressing, and we have seen quite a bit of progress. However, what strikes me, when compared to my experiences in Scotland, is that we do not have landscape architects embedded in the structures here. For example, we do not have any landscape architects practising in roads authorities here, whereas they have a very key role to play in the roads Departments in Scotland and the UK. There are landscape architects in Forestry Commission Scotland; we have none in the Forest Service. Landscape architects are embedded in all those sorts of structures, whether they involve the environment or water. There is the Scottish Environment Protection Agency (SEPA), the water authority, Scottish Water, and Scottish National Heritage; all those different bodies have landscape architects embedded in the process of developing policy.

1352. We do not have any of that here. The landscape architects that we have at local authority level are working under Planning Service and, nowadays, are very much employed, much to their frustration, just to comment and give an opinion on planning applications that come in. That is not really what their training is for. They are trained to develop policies, landscape studies and a landscape planning approach. If we can start to get people embedded in those processes, industry will then be healthy. To give you an example, in Scotland, we have 500 members. Scotland is obviously a bigger land mass, with a population of 4 million or 5 million. However, there is a disproportionately larger number of landscape architects working there. They filter through from the college courses, and go out and make work for themselves. Some are in private practice and some find a place in local authorities, working for housing associations or planning offices. So, there is a critical mass there, and that then tends to keep itself healthy as regards producing work. Here, at the moment, I see lethargy among members. I find it a bit sad, having come back with such enthusiasm, that

- some members are wondering what they are going to do. In my opinion, we need to keep a level of optimism to try to up the ante and embed ourselves back into those positions. We are starting to make some headway with that. As was mentioned, meetings like this help and go a long way towards educating our clients, if you like, as to what we are about.
1353. **Mr Swann:** Thank you for your presentation. I have listened to Peter, and the frustration has come through. You mentioned the ministerial advisory group. Is it effective? Is it helping you at all?
1354. **Mr Hutchinson:** Barrie Todd was the first chair of the group, a very eminent architect with great insight and a great designer. However, the group is more architecture-led or engineering-led. Although we shout and scream, we play our part. We are never in the lead role in these things; it was set up by government that way and is just the way it always has been. However, we are driving as much as we can in that group. As I said, this paper will help to advance that aspect.
1355. **Mr Swann:** I hear your frustration with the universities. What do you feel was the key? I am asking for your personal opinion.
1356. **Mr Hutchinson:** They tend to come down to finance, or some sort of internal structural issue as to what the priorities are and so on. We did actually convert the head of school. We had a couple of wonderful lectures, and he went from being a complete sceptic to having a landscape urban design course. He just said, "Wow." He was absolutely gobsmacked. We have not yet got a thing, but it must be some sort of financial thing. They are struggling.
1357. **Mr Mullin:** I do not have the figures. My own experience is that I went to Edinburgh to study. In each year there were about five students from Northern Ireland or thereabouts. I would say that there were approximately 20 people from Northern Ireland studying in Edinburgh at the time that I was there. We also were at universities in Manchester and London. If you were to take the pool of people from Northern Ireland who have to head off across the water to get that level of education and you were to work out the numbers carefully, you would probably be able to sustain a course here. That is not to say that everyone would want to study landscape architecture here; they might want to go away and experience it. However, conversely, if you create an environment that is exemplary, you might attract other people to come here to study.
1358. So there are moves afoot. Undeterred, Emily, who is the past chair of our institute and also a member of the MAG, is having discussions with Greenmount college at a slightly different level. That is not necessarily a natural stream through which people would come into the profession. You talked earlier about education pathways, and the standard way to come into the profession is by doing your A levels and an undergraduate or postgraduate degree. Having said that, there may be other opportunities to work with students who have come out of the likes of Greenmount and who have certain skills. With a bit of nurturing and development, you might find that some people can come through from that. Even if we were able to develop some kind of diploma-level qualification, that would at least create an awareness and would mean that we have people who are educated to a certain standard.
1359. **Mr Swann:** Have you any interaction with those College of Agriculture, Food and Rural Enterprise (CAFRE) courses at all, even at a lower level?
1360. **Mr Mullin:** Interestingly, when the course was pulled from the University of Ulster after it had just got under way, there was, I think, some level of disappointment. Greenmount has a relationship with the University of Ulster: it is supposed to be a feeder for the kids coming through from CAFRE courses. If you are studying, let us say, horticulture in Greenmount and you have a particular flair for design or a

- particular interest in that sort of thing, your next natural choice should be to go into landscape architecture. However, when students get to that point they realise that there is nothing there for them and they then have to rethink their career path. So there are a few problems in the system as well.
1361. **Mr Hutchinson:** For example, I taught design to a small group of students who specialised in garden design in one of their modules, although horticulture was their primary focus. Some students are doing classes on golf-course design and grasses and stuff. I tried to lift the level of design awareness in a much broader sense to focus on garden design. However, that is why the difference is there: garden design or golf-course design.
1362. **Mr Mullin:** At a different level in education, we tried to produce information to reach that lower level. We produced career information to promote ourselves. It is aimed at school leavers and tries to educate them as to what it is about. A few weeks ago, I had a much more difficult presentation to make to children in primary two. My daughter asked me to go in and tell them what landscape architects do. It was fascinating to see just how excited they were about the simple things, the things that go unnoticed. I asked, "What is the most interesting part of the school?" The playground was the first answer. That is very much a part of it. We have programmes in the industry that talk about learning from landscape and trying to get in at school level to start to educate schools about their environment. It is really about stewardship and ensuring that, as children grow into citizens, they have an awareness and an appreciation of the landscaping spaces around them.
1363. **Mr Swann:** There is a move in the Department for Social Development (DSD) on town centre regeneration and money is coming through to do up shopfronts. Do you have a role in that?
1364. **Mr Mullin:** There has been quite a programme of village design statements through DSD recently. Those are excellent, and that is a great, positive move. In the past, you would have had a village with a red line around it to say that that was the development zone without much understanding of the aesthetics and particular requirements of a settlement. Village design statements have been rolled out to try to understand the whole village and the requirements and consultation processes that go on. It is a sort of design tool for planning, rather than the standard that we have all become very familiar with in our systems here, namely a development plan-led approach where areas are zoned with one zone for housing, one for education and another for health. Design statements in a design-led approach integrate those sorts of things. Sometimes there should be connectivity and overlap.
1365. So, those plans are good. There are some issues with them with regard to how they are being procured, and procurement has been mentioned. I will give you an example of what tends to happen. In County Down recently, a single tender came out for 15 design statements. So, you had 15 village design statements all going to one practice at the lowest price. It is almost bulk buying: rather than spreading around a small pot, if we can get the right person on the job, they will deal with all 15 statements. You might get better design if you have 15 design practices working keenly on their individual projects rather than one practice cutting and pasting its proposals. So, I have criticisms of that mechanism. On the one hand, there are positives but, perhaps because of how they are going about it, the resulting documents are not necessarily as good as they could be.
1366. **Mr Hutchinson:** There was a tender worth £1 million-plus for a park and a small public building in Carrickfergus. It was just the right sort of small, historic urban scheme. I got the application and could have ticked it all except you had to have undertaken and completed three schemes of £1 million in the past three years. That immediately said,

“Sorry, any of the local practices are not eligible.” We all just threw our hands up. It was going to go to one of the big boys, who just ticked the box and put it into their portfolio of work. That was rather sad. By the way, the park, designed by Robert Carson, who started landscape architecture, is a heritage site as far as we are concerned. It is like Mecca, yet we were not able to bid. The way it was done, it will go to a big English firm that can tick the boxes and fill the forms in.

1367. **Mrs McKeivitt:** Of course, Robin stole one of my questions about DSD and regeneration. [Laughter.] I read with concern that no government landscape architectural advice is given to government-led projects such as roads. I was shocked to read that, and I want your opinion on that. More than that, I was shocked to learn that there is no landscape architecture degree programme in Northern Ireland. However, there must have been something in the background long before that because there is talk about renewing the pilot and building a centre of excellence. Were there plans to build a centre of excellence in Northern Ireland some time back and are you looking for them to be renewed, or is it just that you can see plans being developed in the future?

1368. There are a lot of openings. One was the landscaping around the likes of roads and major council-run regeneration schemes. I agree with you totally on that. Although we welcome money being spent on our villages, we do not want to drive through the same village each time. The point you made about bulk buying was a really good point. However, I would have thought that there would have been a major opening for the likes of your profession through planning policy and the recent changes that were made with regard to green space within developments. Obviously, that has not taken place, and maybe developers are getting away with just having a gardener coming in and planting a few trees. Maybe that is not what the policy is about.

1369. **Mr Mullin:** You raised a few important points. The first one was on the bigger issue of not having landscape

architects in the various Departments. My understanding is that the Minister of Culture, Arts and Leisure has a role as a design leader in the Assembly, and, hopefully through this Committee, we will be able to voice a greater concern to the other Departments about the importance of design.

1370. A recent well-publicised example is that of a very contentious golf course design-and-build on the north coast. I do not know who was involved with it and who was for and against it, but that is not relevant. What is important is that it was quite contentious and reached quite a bit of publicity. At that time, the MAG carried out a design review. My understanding is that the MAG was not happy, not so much with the golf course in principle, because the golf course itself is another type of landscape typology that can be made to fit within its environment. There were issues with the design of the building, the built structures. Ultimately, the headlines were that the Minister of the Environment had to make a decision about this and that he would make the right decision. The advice that was coming through the MAG and the design review was that the design of the building was not to a good enough standard. It was not about the principle of the development of a golf course resort, which was fine and was probably acceptable, but the design quality of what was being proposed was felt to be unacceptable. The decision was made that it be passed with planning conditions attached, but it really ought to have been sent away to come back with an exemplar, aesthetically sensitive structure from which we could move on.

1371. It is important that the Committee for Culture, Arts and Leisure and the Minister of Culture, Arts and Leisure realise their responsibilities as design leaders. They need to oversee the roads authorities in the rolling out of roads. In energy, a significant programme of wind turbines is being rolled out along with associated infrastructure that no one is really talking about. Quite a lot of new power lines and interconnectors will be

- popping up all over the place. The issue really crosses all the Departments, including the Department of Education, with the building of new campuses and academies, and the Department of Health, Social Services and Public Safety, where landscape architects are also involved.
1372. Peter talked a lot about design and about his award-winning design, but landscape architects also have a significant role in landscape assessment work. A lot of the work that I do tends to look at visual impacts, integration and landscape capacity on all our landscapes and how they are able to appropriately change going forward. You will all be familiar with the fact that, a couple of years ago, through planning policy statement (PPS) 14, the plug was pulled on one-off housing in the countryside. Subsequently, after a moratorium, we are now back to PPS 21. I will not say that the floodgates have opened again, but we now have some handle on how we will go about developing in the countryside. Again, no one is looking at the overall landscape strategy to that. I call it hiding houses in the landscape. If they can build a house on a low site and plant around it, we are OK, but that does not look at the greater landscape and its ability to accommodate such development.
1373. **Mr Watkins:** That type of work is the absolute macro-scale of design. It is about designing regions and looking at things in a vast context. It is the absolute opposite of designing an object such as jewellery. It is design at its biggest; the bigger stuff. People talk about the Titanic, but this is bigger than the Titanic.
1374. **Mr Mullin:** You are right. DCAL has invested quite a lot of money in the film industry, and we are trying to encourage all these different industries to come in to our beautiful country of Northern Ireland and look at our wonderful landscapes and our wonderful urban settings. Sadly, lots of stuff is starting to erode. Even though there is a new regional development strategy body, the current structures and systems still do not deal with that.
- As policy representative for the Landscape Institute here, I have found that it has practically become a job of work for me. I do it voluntarily; I do not get paid. I am not being paid to sit here today, nor is Peter.
1375. **Mr Watkins:** Nor Jo.
1376. **Mr Mullin:** Nor Jo. Having said that, we are still very protective of our industry and want it to grow. I have lost my track.
1377. **Mrs McKeivitt:** What involvement have you had with new local art projects such as Sticky Fingers, which we are trying to promote, or the “Balls on the Falls”? Do you see that as part of your role?
1378. **Mr Mullin:** Absolutely. The “Balls on the Falls” were part of a greater strategy. The moneys for that project came as part of the rebuilding of the road. Money was set aside for art on that section. It is a very urban section of road, so it lends itself well to artistic intervention rather than soft stuff.
1379. Landscape architects tend to be involved in identifying locations for art. I have written briefs in which I have assigned art to be in town centres. We may want to produce something on a particularly difficult corner of the site or make a landmark on the site as you come into the town. We set a brief through consultation with the community and the local councillors. We are there in the background on all those sorts of things.
1380. **Mr Hutchinson:** I will use the park in Dungannon as an example of how the money is allocated. There is £1 million for that park and £4.5 million for the building. There is a £250,000 budget for interpretation in the building, which will have videos and all the Titanic-type stuff. There is £20,000 for interpretation in a four-acre park. That will get half a dozen signs, and we will put a bit of branding up and what have you. However, it is the park that has a view of the whole of Northern Ireland. There is the topography, social history, heritage, ecology, settlement pattern and geology. It is an educational tool. It is a place that, because of its position, will

become central. However, that is the way that the money is allocated. When I ask for money to put physical art in it: zero. It is a mindset of how people consider what is valuable and what is not.

1381. **Mr Mullin:** The point that I was going to make is that, in the last year, as a policy representative, I have found myself responding on behalf of the institute to quite a raft of policy that has come from the Department of the Environment, the Department of Culture, Arts and Leisure, the Department of Enterprise, Trade and Investment, and so on. We generally have an input into all of that, and I feel that there are gaps. The Landscape Institute branch in Northern Ireland should really be a social thing as much as anything. We should not have to feel the need to push policy and respond directly to policy. Much of that should have been taken care of already. It goes back to the point about having landscape architects embedded in the policy process. We should have confidence that, when those policies come out, that has been taken care of already. We could then give it a quick read and say that it is great and that such and such is on the ball there and then make a comment. However, as it stands, the policy responses are getting longer and longer, because we are trying to tell them that they need to be looking at this and need to be looking at that.
1382. **Mrs McKeivitt:** The previous presentation touched on the educational part. What qualifications are needed to become a landscape architect? You mentioned homing in on school leavers, but do you think that you should aim at younger than that? After entering post primary, a child must very soon choose their GCSE subjects. They have not even done them, and they are already trying to decide what is next.
1383. It is all about how to sell your profession's brand, and it is not just your profession: I can see major difficulties right across the board. Early intervention with careers advice that encourages children to go down a path should be a priority in achieving any educational ends. Although it is difficult for a child

of 12 or 13 to decide what they want to be when they grow up, that is what is happening around my kitchen table and I see it as a major problem.

1384. **Mr Hutchinson:** We do careers events and we attend schools. We set up stands, as do members of every other trade or profession, be they engineers, doctors or what have you. A number of people visit you in that way; collectively, thousands from schools are looking to their future. Whether you want to go in the direction of becoming a lawyer, a doctor or member of various other professions requires a particular mindset. You talk about selling landscape architecture. Pupils will probably have been streamed earlier than that because of the way that colleges and schools work. They may consider architecture, because they may think that it is something to do with design. It is strange, but a career in landscape architecture does not seem to be celebrated or promoted to children when they are young enough.
1385. **Mr Watkins:** We have invested quite a lot of our little budget in careers advice. We have dedicated members of staff who provide that, because we recognised 10 or 15 years ago that it was critical for us to do so. We talk to children of quite a young age to draw them into the profession. You can come in through a number of different routes. I have an undergraduate degree, a postgraduate diploma, and there is a professional examination on top of that. It takes seven years to become a landscape architect, so it is calls for quite an investment of our time and effort. There are different routes in, but it is about trying to encourage children from quite an early age by saying, "Look — art environment — it is a no-brainer, landscape architecture is you career choice". That is what we try to get across.
1386. **Mr McCapra:** We have put quite a lot of work into the use of new media. Our careers promotional video on YouTube has been looked at about 30,000 times.

1387. **Mr Watkins:** It was translated into Turkish.
1388. **Mr McCapra:** It is so successful that people have started nicking it, and just —
1389. **Mrs McKevitt:** Sorry; is there a reason why it is translated into Turkish?
1390. **Mr McCapra:** Just because there is no promotional tool in other countries, so they look at ours and think, “That would be brilliant”, we will stick Estonian over it. So, if you look on YouTube, you will see that the Turkish one is the second most popular to ours, but they have just taken the video and superimposed new subtitles on it. We thought that was interesting and wondered where else it was. Well, it has been embedded in the websites of universities in China and all over the place. So it is, effectively, the whole world’s —
1391. **Mr Watkins:** It is simply called ‘I Want to be a Landscape Architect’.
1392. **Mr McCapra:** It had a significant measurable impact on the number of applications to universities.
1393. **Mr Mullin:** In answer to your question about kids coming through, it is a tertiary level profession. That having been said, the work that we do reaches out on the ground to employ contractors, nurseries and people with specialist skills, such as stone masonry or art, as you mentioned. As an industry —
1394. **Mr Watkins:** There is a multiplier effect.
1395. **Mr Mullin:** — we generate quite a lot of potential spin-off work.
1396. **Mrs McKevitt:** Yes, but when it comes to making a career decision, they do not have that choice here. Students must go across the water to study it. So, the message is not getting to the right places.
1397. **Mr Watkins:** It is not, no.
1398. **Mrs McKevitt:** Thank you.
1399. **Mr McMullan:** Thank you for your very interesting presentation. You compare the examples of Wales and here. Are you saying that Wales is doing the right thing by way of — for want of a better phrase — its social clause? Is Wales’s social clause to be looked to as an example?
1400. **Mr McCapra:** Wales is an example of what can be done. I do not know the exact mechanism that is used. I believe that the Welsh language is a significant factor and that they are legally allowed to give weighting in favour firms that can demonstrate an ability to use the Welsh language. However, I do not think that they rely on that entirely; they simply go about their processes with a cast of mind that part of their job in public procurement is to do what they can to not just start people up but keep them going after they have started up. It is not that they will exclusively employ Welsh practices, but, in the general run of things, that is what they expect to do and that is what generally happens. They do not make a big meal out of it, and everybody knows it. That is final.
1401. **Mr Mullin:** It comes back to the issue of bulk buying, where one practice will get 15 villages to do. Recently, we had the Streets Ahead project, which was very well publicised around the streets in central Belfast. Again, that was a single project. A similar example was from Barcelona during the Olympics, where a firm was involved in the overall strategy, but they fed out. In the Belfast example, you might have the larger company overseeing the Streets Ahead project and setting the design code for that, but, as part of that commission, other smaller practices would maybe be given a square to design or a stretch of open space to deal with. That gives you variation and diversity, but it also keeps other people involved in the —
1402. **Mr Watkins:** In a sense, the Olympics in London has been done in a very similar way.
1403. **Mr McMullan:** Why is it so expensive and burdensome over here compared with other places?
1404. **Mr McCapra:** I do not think that it is particularly; it is just that the effects are particularly hard. In much of England, for example, the world of

landscape architecture is dominated by what we call middle-sized practices, which comprise maybe 15 or 20 people. They have sufficient capacity to keep their hand in with the endless rigmarole of filling out pre-qualification questionnaires (PQQs) and all the rest of it. The situation in Northern Ireland, where there are sole practitioners or very small practices, is just impossible. The same rules apply: if you want to bid for a piece of work for which the fee will be £5,000, you have to demonstrate that you have £5 million worth of professional indemnity insurance. Those rules apply everywhere, but they are disproportionately having an impact in Northern Ireland and throttling the life out of the profession.

1405. **Mr Mullin:** It is very difficult. At the peak of things, five people worked for me. I am now back to just me because I just could not sustain it; not enough work was coming in. It is a race to get to a critical mass; if you can get your practice up to 10 or 15 people, you can carry on. I did not get to that critical mass quickly enough; I had five, so I did not get there in time for the downturn. To be fair, a certain amount of blame is on me because, at that time, like many others, I focused on private developers. There was such an easy source of work in the economy and the work that was coming through that I did not focus enough at that time on approaching local authority work and that type of thing. Others did, and, to be fair, are still struggling, but it is about getting to that —
1406. **Mr Hutchinson:** Do not get us wrong: we do not want to ring-fence Northern Ireland. Other people go to the beach; I go to parks to learn and find out how things are done. It is really good to have people coming in. In the Craigavon Development Commission, we had Germans and Scandinavians here. We have always had that sort of thing. Firms have come here and have showed us different techniques. When a big firm comes here and there is a public lecture, I wonder which job they are going to get next. It seems that people are wowed when they look at things; you

can sell something just by showing it. The job may never be done here; it will be done somewhere else. We could be used as a satellite, and they will just suck it out, do it and bring it back again. You have to be careful about that, but do not get us wrong. There should be a balance and a level playing field. We should all have a place.

1407. **Mr McMullan:** Is it not that, once you are over the set-down figure, you have to, because it is legally binding, go to European tendering? Or is it a confidence issue? Are the Germans or whoever talking a better talk or what? Do we not have confidence in our own market? If you are constrained by the European tendering process, could we not push the Welsh model more? The Welsh model looks at social clauses and looks after its own market. Should you not be pushing at that market? You talk about planning, but what about the European heritage label? You have your heritage here, and this is the only country in Europe that never signed up to the European heritage programme. That was not mentioned. You need to drive more at the Welsh model. I have 20 years of local government involvement and watched councils doing work. They took on architects and landscape gardeners. The architects really did the whole thing, and all the landscape artist did was the bushes and trees in the corner.
1408. **Mr Hutchinson:** It is about the way it is put out. Quite often, it is an architecture-led competition or project. So, that group has the ability to control it. It is a much more powerful group. We are at fault as well. We have not —
1409. **Mr McMullan:** We see a lot of European funding streams, and there is money out there for feasibility studies. For example, I worked on one two weeks ago for a new football pitch. That feasibility study is within your remit, but I do not know of anybody in consultancy who ever got one of those feasibility studies for £5,000, £6,000 or £8,000. There is work in there, but there is no landscape consultancy looking for that consultancy work. Usually, the councils have a list of

- consultants, and any of us who have worked in councils for long enough could nearly rhyme off who the councils' consultants are. Work is going a-begging there because, usually, they will tell you what you want to know for £5,000 but you get nothing back from it before you start your job. If you are in there at the consultancy stage, you may be in there when it comes down to the contract stage.
1410. **Mrs Hale:** Apologies for missing the start of your presentation. I have found this fascinating. I spent 10 years living in Germany while the curtain was up, and, when the curtain came down and I went to the east, I saw village after village that looked exactly the same. So, the buy-one-get-14-free idea absolutely fills me with abject horror.
1411. Mr Swann brought up the issue of the Department for Social Development and town regeneration, and one of my constituency towns, Dromore, has been earmarked for this as well. Dromore is unique: it has a cathedral, a motte and bailey and the river runs through it, and I would hate to think that it will look exactly the same as other towns in the region.
1412. The Maze regeneration project is another thing in my constituency. Given that the landscape architecture will have to be right first time and it is in a very rural country area, have you shown an interest in that or have you been approached about it?
1413. **Mr Mullin:** That tender did come out. It is issue of scale. That is a particularly big project, and if a project is to be given to one of the larger practices, perhaps that is it. A number of firms that have landscape architects embedded in them have tendered for that project. It is like the other examples that I gave earlier. It is one big project that goes to one practice as opposed to there being opportunities within that big project for small micro-projects that could be given to other practices or sub-tendered — I do not know what the term is — to break the cake up a little bit so that it will not necessarily go to a multinational company. We may well bring in experts from England and further afield. For example, I will not name it, but I know one multinational company, which has 40,000 employees worldwide, with a presence in Northern Ireland. That practice has nobody who does landscape or visual assessment and has to use its Scottish people, who fly over to do that. So, although a lot of the bigger companies have a foot in the door and an ability to go for those sorts of projects, when it comes to the structures, certainly for something like the Maze project, maybe there needs to be a little bit more thought about how they are implemented or how the process is broken down.
1414. **Mrs Hale:** I would like to see some local firms being used so that there are people involved who know the area, will live with the project after all the builders have moved out and will appreciate the long-term viability of a scheme.
1415. **The Chairperson:** Gentlemen, thank you very much for your presentation and contribution today. You have made your case.
1416. **Mr Watkins:** On behalf of my colleagues, I thank you all for listening to us. We wish you well with your endeavours and the future direction of this issue. If you need anything else, let us know.

3 May 2012

Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
 Mr Dominic Bradley
 Mrs Brenda Hale
 Mr Michael McGimpsey
 Mrs Karen McKeivitt
 Mr Oliver McMullan
 Mr Robin Swann

Witnesses:

Mr Hasan Bakhshi *Nesta*
 Mr Graeme Downie

1417. **The Chairperson:** I welcome the witnesses to the meeting. You are straight off the plane; I believe you had to be diverted. Thank you very much for coming this morning. Graeme, would you like to introduce your group? Once you give an opening statement, we will follow up with some questions.

1418. **Mr Graeme Downie (Nesta):** Certainly. Thank you very much for agreeing to call us to give evidence this morning. I will speak very briefly about the National Endowment for Science, Technology and the Arts (Nesta) more generally, and I will then pass over to Hasan, who is our policy director on creative industries, who will probably be the centre of attention for the sake of this session.

1419. For those of you who do not know about Nesta, we operate in three areas to do with supporting innovation: in the economy, in public services and in the creative economy. As you may be aware, Nesta has recently changed from being a non-departmental public body (NDPB) to a charity. That happened on 1 April, and the process required the approval of the Northern Ireland Assembly. I pass my thanks to all the MLAs who very kindly agreed that.

1420. As a charity, our focus will continue to be on innovation, although our new status requires a very welcome increased focus on education in the very broad

sense of passing on our knowledge as well as promoting social good as we promote innovation. It also allows us to pursue different types of partnership and new ways of working, which will, we hope, provide some very new and exciting opportunities for us in future. In particular, we hope that this new status will lead to an increase in our work in Northern Ireland at both a policy and practical level. We have already been able to agree a partnership with the Department of Enterprise, Trade and Investment (DETI) on a Northern Ireland version of the innovation index, which is a measurement of innovative capacity specific to Northern Ireland. That is being taken forward with DETI.

1421. Over the next few months, we are hoping to arrange some high profile activity including a visit from our chief executive, Geoff Mulgan, which will we hope include a focus on creative industries and particularly some work that we are aware of that is going on with Digital Derry. Beyond that, we hope to be able to continue building relationships both to increase participation from Northern Ireland in UK-wide initiatives and to develop specific partnerships here. This will culminate, we hope, in early 2013 with a major roadshow event in Belfast that will showcase Nesta's work across the UK, provide an opportunity to pass on our expertise to people in Northern Ireland and further cement relationships here.

1422. That is a very broad introduction to what Nesta does and, with that, I will pass on to Hasan Bakhshi, Nesta's policy director for creative industries.

1423. **Mr Hasan Bakhshi (Nesta):** Thank you, Graeme. I will spend a few minutes setting out the content of the submission to the Committee. There are three things that we do in that, the first of which is to rehearse the arguments for why the creative

economy is a key focus of our work at Nesta. Graeme mentioned that there are three broad areas; why is it that we single out the creative economy as one of those? Secondly, we outline how we approach the creative economy at Nesta, which I increasingly describe as a connective approach. I will give some specific examples from our research and programmes, which I think are of relevance to Northern Ireland. The third thing we do in that submission is to suggest some high-level principles emerging from our work on how policy can support the creative economy.

1424. Why have we chosen the creative economy as a priority? First, and it goes without saying, is because of the cultural value it generates. The UK's wealth of cultural assets serves as a resource for our creative industries, but they are the same cultural assets that give us a sense of community, continuity and memory. Indeed, they help define what the UK is as a nation. The creative economy also makes very significant contributions to economic activity. According to the UK Department for Culture, Media and Sport (DCMS), the 13 creative industries employ well over one million people and account for 5% to 6% of value added in the UK, but that number is considerably lower if certain sub-sectors within the software sector are excluded. Some of you will be aware of the slimmed-down DCMS classification that was adopted in December 2011. That put the contribution of the creative industries down to 2.9%, so that lower number reflects the stripping out of software.
1425. Historically, we know that, whatever definition is used, the creative industries have grown at roughly twice the rate of the rest of the economy and are associated with high rates of product and process innovations. As such, they have been identified by successive Governments as high-growth industries: ones that should be nurtured as the UK attempts to rebalance its economy away from financial services.
1426. We are also now beginning to understand that the creative industries

make the rest of the UK more innovative too. There are a number of different mechanisms by which this seems to happen and that inform our work. The first is through the creative industries' supply chain linkages. In research that we published in 2008 with researchers from Oxford Brookes University and Experian, we showed that businesses and sectors with above-average spending on creative goods and services were more likely to innovate than firms in sectors with below-average spending on creative goods and services. This was a case using a wide range of measures of innovation through spending on research and development and design through to the number of product innovations and the size and variety of firms' product ranges. For example, we found that if you look at firms that spend double the average firm spend on creative services such as design, advertising and architectural services, those firms were 25% more likely to introduce product innovations than the average firm.

1427. A second mechanism by which the creative industries are likely to support innovation in other sectors is through skills development and labour market mobility. To give another example, data from the UK household census in 2001 suggests that more than 50% of those employed in specialist creative occupations work outside the 13 creative industries. That figure was 54%; the majority of creative specialists are working outside the creative industries, embedded in industrial activities and other sectors. That includes advertising and marketing professionals working in the legal and accounting sectors, product designers working in retail, craft-makers working in manufacturing, and so on. Combined with the fact that creative professionals frequently move between creative sectors as defined by the statisticians and other sectors of the economy, this suggests that the creative industries play an important role in developing creative talent in the wider economy.

1428. The third mechanism by which the creative industries appear to support innovation in the wider economy operates at a much more local level. In a comprehensive mapping of the geography of creativity in the UK, which we published in 2010, we detected a striking tendency for some creative industries to co-locate with other high-innovation sectors such as knowledge intensive business services and high-tech industries, echoing research findings seen in the US. So, for example, the advertising, software and computer games sectors strongly co-locate with knowledge-intensive business services and high-tech industries.
1429. Of course, correlation is not the same as causation, but in our case-study work on creative clusters, we detected evidence that there is knowledge transfer from the creative industries into these other sectors, and that is a two-way flow. Critically, it is only in those creative clusters where connective networks have already been developed between the sectors. It does not just happen in the air. Those sorts of knowledge transfer processes seem to occur when there are institutional links between different sectors. As innovative, fast-growing sectors are deeply entwined with the other sectors of the economy, at Nesta we have concluded that we need policies and policy institutions that are more responsive to the fast-changing needs of businesses, which are, importantly, more connective, and the impacts of which are better measured and more effectively evaluated so that policies that are working quickly can be scaled up and those that are failing can be abandoned.
1430. I will briefly give you a couple of examples of work that we have done at Nesta. The first is a scheme called Creative Credits, which was designed by Nesta in partnership with Manchester City Council, a couple of the research councils and the now-defunct North West Development Agency. Inspired by the research that I mentioned earlier, suggesting that creative businesses appear to stimulate innovation in other sectors of the economy through their supply chains, the creative credits scheme aims to boost innovation in small and medium-sized enterprises (SMEs) by connecting them with creative service businesses. We are connecting SMEs in different sectors with creative businesses. The scheme was piloted in Manchester in 2009 and 2010, and involved the issuance of £4,000 innovation vouchers, which we call creative credits. The idea is that SMEs that were awarded those credits could use them — they had to put in some of their own top-up money — to buy in services from Manchester-based creative businesses of their choice. It was a business-led scheme. The vouchers could be used on services and suppliers that were the choice of the SMEs themselves. In fact, two thirds of the SMEs in Manchester used the credits on website-related projects. As a result, because it was market-led, it was very cheap and easier to administer, because there was no active brokerage by an intermediary. Obviously, in the current fiscal climate, that makes it a potentially interesting model for other funders.
1431. We found that 80% of the connections between SMEs and creative businesses would not have been made in the absence of the creative credits scheme. Some 80% of the SMEs awarded credits claimed that their experiences had left them more predisposed to innovation. We will shortly be publishing some research that looks at the commercial bottom line of those SMEs that are engaging in the scheme and compares their commercial performance with those businesses that did not participate. Although there is no time to talk about it here, we structured the scheme as a randomised control trial, which allowed us to evaluate the additional impact that that intervention had with a great degree of confidence.
1432. The second exemplar initiative that I want to mention is the digital R&D fund for arts and culture. Again, that is a partnership between Nesta, the Arts Council England and the Arts

- and Humanities Research Council (AHRC) and, separately, with Creative Scotland and the AHRC in Scotland. The basic idea is to connect arts organisations, technology companies and academic researchers to engage in disciplined experimentation with new technologies in a controlled way to test how digital technologies can deepen the relationship that arts organisations have with their audiences and to explore new business models. In the scheme's pilot, we are supporting eight different projects in England. We are just about to make the awards for the pilot in Scotland with Creative Scotland.
1433. The point I want to make is that, like creative credits, that fund is sector-led, in that the arts organisations are given a huge amount of freedom on what propositions they want to test and how they want to test them. It was an incredibly popular scheme, with just under 500 applications chasing under £500,000 in funding. On the back of the success of that pilot, we are pleased to say that the partnership organisations — Arts Council England, Nesta and the AHRC — have committed to rolling out that fund very significantly over the next three years. I would welcome opportunities to explore its adoption in Northern Ireland. The fund was connective and created new relationships between those three different constituencies — arts organisations, tech companies and academics. It is also connecting organisations across traditionally segmented parts of the arts and culture sector, like national museums and young theatre companies. In some ways, those are the most intriguing connections that we are making with the fund.
1434. To conclude, aside from the contributions that the arts and creative industries make to our cultural lives, the high rates of innovation and high growth potential of the creative industries account for the interest that policymakers show in them, but those same characteristics explain why making policies for them is exceptionally challenging. Nesta's view is that the answer lies in policies and policy institutions that are more responsive to the industry's rapidly changing needs, that place greater emphasis on the connectivity that underpins great creative work, and, importantly, that can be rigorously evaluated so that we know what works and what does not.
1435. **The Chairperson:** Thank you very much. If you are content, members will now ask questions.
1436. One of the issues that the Committee has come across in its inquiry is that we have a lot of fantastic creativity in Northern Ireland but the issues are in the crossover from being creative to being a businessman or businesswoman. Entrepreneurial skills are required. In your paper, you suggest Starter for 6, which is now being used on licence by Creative Scotland. Can you expand on that and how you think something like it may be of assistance to artists in Northern Ireland?
1437. **Mr Bakhshi:** Graeme, you may want to say something, given your involvement.
1438. **Mr Downie:** I will kick off. The Starter for 6 programme was the reason why we created the Nesta office in Scotland. It was the initially designed and set up just to run that one programme. It was building on an old Nesta programme called Creative Pioneers. It was large scale and involved taking people away, locking them in a room and giving them very intensive support. In Scotland, we worked with partners to develop a new programme which was much more about transferring that kind of creativity and knowledge, quite often with students out of arts school, and giving them the hard-nosed business skills that they would need to develop.
1439. The key thing about the programme is that we did not tell the people at the beginning that they were being taught how to write a business plan. They were essentially taken through a six-month process with some workshops and training days, a lot of online coaching and informal mentoring and, at the end, we turned round and said, "By the way,

you have just started a business.” And they said, “Thank God you did not tell me that when we started.” So a lot of it was done through subterfuge.

1440. We ran that programme very successfully for three years and now it is operated under licence to Creative Scotland and the Cultural Enterprise Office. We also produced on the back of it a “creative industries toolkit”, on which we did a couple of workshop sessions with Ulster University to pass on that learning. It is also now widely used by universities across the UK. If you ever really want one, you can also purchase it on Amazon, believe it or not, which is another good way of getting that kind of knowledge out there. It is something that we still use very much as a baseline for a lot of our practical work and how we manage to develop that kind of skill. Out of the 240 sole businesses we were able to support over three years, some 12 or 15 of them turned into high-growth companies supported by Scottish Enterprise, which requires a criterion of a £5 million turnover inside the first three years of business. That is a type of business that, frankly, could exist anywhere. They do not have to be in a particular location, but by making sure that this kind of idea is supported in Scotland, that business is able to exist.
1441. **The Chairperson:** In relation to Starter for 6 and — also the R&D Fund, which is very interesting — you comment in your paper that you have made approaches to the Department of Culture, Art and Leisure (DCAL) to explore possible ways of working with it. Can you elaborate on the discussions that you have had and what feedback you received?
1442. **Mr Bakhshi:** Graeme, you could say how the discussion was put together in the first place.
1443. **Mr Downie:** We discussed the R&D Fund as a potential programme with DCAL officials. Our sense was that we got there slightly too late for their budget planning. They were not able to come in and support us initially. However, we are carrying on the discussions
- and we hope that we can maybe build something with DCAL in the future. As Hasan mentioned, we are very keen to establish that kind of partnership. It is something we are keen to look at.
1444. **The Chairperson:** Did you discuss with DCAL the concept of Starter for 6?
1445. **Mr Downie:** We were happy to pass on the learning for Starter for 6, but, as an innovation agency, it is, frankly, not something that we would run again. Having found a model that works, we are happy to provide informal advice and support, but we would not re-run the programme, to be perfectly honest.
1446. **Mr Bakhshi:** It is probably worth saying why our answer for Starter for 6 is different to that for the R&D Fund. The way Nesta works is that we try to put as much structure as we can around a prototype to pilot a new way of supporting innovation. Once we get to a stage where we feel that we have a model that is successful, the goal is really to disseminate and share learning. It is fair to say that the R&D Fund is a very new type of intervention. There have been many business support agencies that have tried to devise ways of improving the commercial skills of creative businesses, but the R&D innovation area is much more immature. Although we have these various pilots, we feel that we still have not quite refined the model, and that is one of the reasons why — certainly from my side, at least — there is a compelling case for exploring how that model might work in Northern Ireland, compared with Starter for 6. The case for that model has really been made.
1447. **Mr D Bradley:** Good morning. Thanks very much for the presentation. Why have you not had such a high degree of activity in Northern Ireland to date?
1448. **Mr Downie:** There are probably a few reasons for that. It has been a bit of a two-way thing. First, we do not tend to get a lot of applications from Northern Ireland to UK-wide programmes, which is always quite disappointing to be honest. As a result, there has been a sense on

- our side that we have not done enough to promote the work that we do across the UK and to explain that we are here as a centre of expertise and learning and really should be used as a resource. We have to push that a bit harder, and, as I mentioned at the beginning, we are very keen to increase our activity in Northern Ireland over the coming period. If members of the Committee have any suggestions as to how to take that forward, I would be delighted to have individual discussions and take them forward.
1449. **Mr D Bradley:** It would be useful if you could publicise to a greater extent the services and facilities that you have available. I am sure that the Committee will assist you in doing that. Do you work mainly through Government Departments? I heard you mention that you had contact with DETI and DCAL and arm's-length bodies. Do you work directly with small and medium-sized businesses as well?
1450. **Mr Downie:** In Northern Ireland, it has been a bit of a mix. Our work here has primarily been with DETI and DCAL. We did a little bit of work with the Department of Education a few years back. There have also been discussions and policy sharing with organisations like the Confederation of British Industry (CBI) and the Institute of Directors (IOD) in Northern Ireland. We produced a report on economic growth in Northern Ireland two years ago called 'Stepping Forward'. That report was on how to take forward innovation in Northern Ireland and was quite widely supported by organisations like Microsoft and BT, representatives of which attended its launch. On the creative industries side, our work has mainly been through discussions with DCAL.
1451. **Mr D Bradley:** Have you had any discussions with the Arts Council of Northern Ireland?
1452. **Mr Downie:** Oddly enough, I have. I was here two weeks ago and had a very good and interesting discussion with representatives from DCAL and the Arts Council of Northern Ireland about various issues, including the R&D fund and another programme that we are running across the UK called Destination Local, which is a hyper-local media call that is open to anyone from across the UK. The Arts Council of Northern Ireland and DCAL both agreed to help us push that out to their contacts to try to encourage more applications from Northern Ireland for that programme.
1453. **Mr D Bradley:** Am I correct in assuming that, in the future, there will be greater awareness of your facilities and activities in Northern Ireland, and greater engagement?
1454. **Mr Downie:** I certainly hope so. As I said, we are in discussions with DETI and others about putting together a visit here for our chief executive, Geoff Mulgan, later in the year. As part of that, we will be putting together small round-table discussions and events to really try to make sure we understand — there has been a lack of understanding from our side, perhaps — exactly what our role in Northern Ireland should be. We are going to really try to have quite intensive discussions with different sectors around the different areas we work in to try to understand better what we should be doing here, where we can play a significant role and where we can add the most value. That is something that we will really build upon quite strongly.
1455. **Mr D Bradley:** When you are designing your various activities and facilities, do you take into account international best practice? If so, what countries do you find to be more innovative than others in that respect?
1456. **Mr Bakhshi:** We are fairly well internationally networked, through research on the academic side and through agencies that are actively supporting businesses. To illustrate how that might work, I was on an expert panel that the European Commission convened on services innovation a couple of years ago. I was there as a representative of both the UK and the creative industries. If you look at the authorship of all our reports, you will

- see a lot of international collaborations. There are patterns in the countries that tend to come up, and it is quite interesting to reflect on why that is. I have a disproportionate amount of Australian collaborations. I was in Brisbane and Sydney just a few weeks ago. There is a huge interest there, and they follow what we are doing. Likewise, it works the other way around.
1457. This is a point about innovation more widely, but one tends to find, time and again, in countries like Denmark, Finland, and Sweden — Scandinavian countries — whether through collaborations or meetings, that we occupy the same social and professional networks. There are definitely patterns. It is interesting. We can talk a bit about why those patterns exist, but those are the sort of countries that you asked about. Our new chief executive is a big internationalist who is very well networked internationally. He has done a lot of work in emerging markets, so, increasingly, we are building relationships with academics and support agencies in China, Brazil and India. I recently began an R&D collaboration in Beijing. Going ahead, I think that emerging markets are likely to appear quite significantly in our connections.
1458. **Mr D Bradley:** Currently, is your headquarters in London?
1459. **Mr Bakhshi:** Yes.
1460. **Mr D Bradley:** Do you have any regional offices?
1461. **Mr Downie:** We have one office in Dundee. That is the only office we have outside London. As I said, that was set up a few years ago to deliver just the one programme that I mentioned, and has carried on from there.
1462. **Mr Bakhshi:** Part of the challenge we have is scale. There were 70 of us in Nesta, and in the creative industries and arts there are two of us, and one of them is part-time in policy and research. That number is a bit higher now. I do not know what the latest numbers are; maybe 90 or 100 or so.
1463. **Mr Downie:** I think it is about 85; quite small.
1464. **Mr Bakhshi:** If you think about the responsibilities across science, technology and the arts, one of the challenges is that we have to prioritise. Unfortunately, that partly informs where our relationships lie.
1465. **Mr D Bradley:** I was just thinking that, considering the fact that Northern Ireland is maybe lagging behind England, Scotland and Wales in involvement in your projects, having a regional presence here might be a way of accelerating participation.
1466. **Mr Downie:** I think it is about making sure that we are getting the best bang for our buck. If we can spend more time here and bring our expertise here, that would probably be more valuable as a first step. Putting boots on the ground can help, but I do not think it is necessarily the answer to everything. Obviously, decisions like that are for our chief executive. I would have to suggest it. It is slightly above my pay grade to comment on that.
1467. **Mr D Bradley:** You can take the message back.
1468. **Mr Downie:** I certainly will.
1469. **Mr D Bradley:** Finally, why did you change from being a non-departmental public body to a charity? You obviously saw that as an advantage. How did it affect your funding?
1470. **Mr Downie:** Our funding is from the National Lottery through an endowment we were given in 1998. We have never actually cost the taxpayer any money directly. We live off the interest from the endowment. Even when we were an NDPB, we were financially independent, which allowed a large degree of political independence. There was a feeling that putting us into the charitable sector and officially splitting us off from government would allow us a slight additional freedom, but would not essentially change the work that we do. It allows us to remain close enough to government to provide impartial advice and

- information, but to try things that, due to the rules, we would not be allowed to do as a government body. It does open up some interesting opportunities for us. However, it has not fundamentally changed the way we are funded. The endowment is still how we are funded and how we will continue to fund ourselves. To some extent, it formalises the way that we always worked; as being politically and financially independent. It is a unique and, if I am being honest, very advantageous and fortunate position to be in at this kind of time.
1471. **Mr McGimpsey:** I am sorry that I missed the earlier part of your presentation.
1472. I note that, in your submission, you say that the creative industries are worth £50 billion to the UK economy every year. We are roughly 3% of that, so we should be on roughly £1.5 billion. I can tell you that we are miles and miles behind that. We have a long, long way to go.
1473. I note also that you make a number of points to say that universities need to do more to promote innovation. Your mission statement states:
- “innovation can solve some of the country’s major economic and social challenges.”*
1474. I wonder whether you have considered how you can step back from universities and apply those principles more in schools. Bear in mind that large numbers of our children will never even smell university; they will not get near it. For them, doing exams, going to university, getting a degree, and so on, is not going to happen. That does not mean to say that they do not have innovation and creativity and a major contribution to make. Giving them that sort of goal to aim at and involving them will greatly help them. Again, your mission statement mentions solving some of the public’s social challenges. Have you thought about how you apply in schools? I am not necessarily talking about having to go to university and get a degree to get into this game. It is similar to other types of profession. Have you thought about getting into schools to encourage young people and
- give them an idea of what is available to them?
1475. **Mr Bakhshi:** Both of us will want to chip in on this. I have a few thoughts. Working with schools and young people has always been a significant part of Nesta’s work since its inception back in the late 1990s, but I have not been personally managing and involved in that area. In its current manifestation, Nesta has just launched a new digital education programme and is now speccing it out with its partners. As that programme’s name suggests, it is primarily focused on how young people at school and also outside school in their lives more generally can use technology more effectively as an enabling technology to improve learning outcomes and meet their development needs. Nesta has an important strand of work in that area.
1476. I turn to the creative industries specifically. I do not think that we included this in our statement, but, a couple of years ago, Ed Vaizey, asked us to work with Ian Livingstone and Alex Hope, who are two industry leaders in the video games and visual effects industries, to conduct an in-depth review of the skills needs of those industries. Between them, those two industries may be employing around 15,000 or so people. Estimates vary, but they are fairly small industries, yet they contribute very significantly to value added, and will do more so over time because they are growing very rapidly. Therefore, it was almost like viewing the skills needs of the high-tech creative industries through the prism of these two particular sectors. We found that what started off as being a skills review of two industries very quickly ended up as a fairly clinical assessment of the education system more widely. From the perspective of those industries, a lot of the barriers to or bottlenecks in developing talent were at school.
1477. Campaigning is one of the methods that Nesta uses to effect change. It brings its research and its programmes together into building campaigns. To cut a long story short, that work led to

a campaign called Next Gen, a schools review around bringing computer science into the national curriculum. You will probably be aware that that has been one of the areas where there have been significant changes in government policy since the publication of that review. It is still very much a live issue, so we are still working with the Department for Education and with educators and schools in trying to develop appropriate curricula that expose young people to, in this case, creative computing. That is how we like to think about it. It is not really a science, technology, engineering and maths (STEM) issue; instead, we use the acronym STEAM to include science, technology and the arts coming together. That is one area that I have been heavily involved with. Graeme, do you want to say anything more broadly about Nesta's work with schools?

1478. **Mr Downie:** I will make two points. First, as much as we emphasise the importance of universities, some creativity and innovation has been shown up through Starter for 6. One example is that of a paramedic called Brian Carlin, who we nicknamed the accidental innovator because he designed a new piece of kit for getting people out of car wrecks. You are right to say that we should not focus entirely on the people who we traditionally think of as being creative innovators as those who sit in universities.
1479. We ran a programme in Manchester and London called idiscover. It exposed first-year and second-year high school pupils to new ways of learning. Rather than classes being given to them in hour-long slots, we exposed them to new experiences. The Manchester one involved people such as Manchester United, local theatres and other providers to give them something quite tangible. We worked with companies such as Apple, the BBC and STV to give them something quite real. If you were to sit a high-school pupil down and say, "Right; today, you are going to learn to be creative", you can pretty much guarantee that they will switch off instantly. If you give them

something interesting to do that will really awaken their imagination and makes them enthusiastic about being creative by subterfuge, without telling them they are learning, you will end up with someone who will hopefully take that forward through other parts of their life no matter what they end up doing with it, whether that is going to university, setting up their own business or anything else.

1480. **Mr McGimpsey:** Presupposing you have the full co-operation of the Department of Education, which is not necessarily a given, the issue is how we devise some form of curriculum that could be universally applied so that kids could go into computer suites, learn computer skills, develop familiarity with them, and so on. Is there an example or model that is being applied or used in other parts of the UK that we do not know about that would be useful for us to look at, which may give us a hand?
1481. I am thinking of those youngsters who effectively leave school at 13, even though they may still be on the school list. They are supposed to go to school and may occasionally do so, but effectively, they are away from school. It is not because they do not have the capability; they definitely do. In this type of energy, you need A-level applied maths if you want to be an architect and work out a lot of the stresses that go into construction, but a lot of this is around video, film and photography, and the digital exchange of information, so a lot of it is down to purely innovation, creativity, people having bright ideas and being able to apply them. We need to give our kids the sense that this is where they could be and get them to look to be there and to effectively have that as their goal or target. We want them to feel that it is not about doing exams, getting to university and then hopefully getting a job, but about releasing what they have got locked within them. Has anybody tackled this?
1482. **Mr Bakhshi:** There is a fair bit of flexibility to implement the national curriculum for schools in England in different ways. I mentioned the 'Next

- Gen.’ report. It was actually published in January last year, but the review started a couple of years ago. In that report, we showcased some examples taken from within the schools system. For example, at primary school age, we saw young people building video games using freely available software, and primary teachers used that in the classroom. There was incredibly progressive use of that software.
1483. With some of these sorts of stories, you lose a lot of the vibrancy when you write them down in research reports, so we made a short film to go with that where we took cameras into a number of different schools in order to show what was being done. They were really quite inspiring stories. There are examples, even within the parameters of the national curriculum in England, of where gaming technologies, for example, are being used to inspire people.
1484. Of course, there is a large number of schools. So, where is that information aggregated? The best way in is to work with those organisations that are representing these progressive interests. For example, there is a group called Computing at School, which is a very bottom-up grouping of largely computer science, computing teachers and information and communication technology (ICT) teachers at schools. They all have a very progressive agenda about what technology can do and how it can be used. We would certainly be happy to put any partners in Northern Ireland in touch, because we have found them to have very efficient and effective ways of getting through to where these really interesting examples are. Knowing where to look can be very challenging.
1485. Other examples include Teach First, which is a very interesting organisation that you will be aware of, and which is doing amazing work. It has a particular focus on improving educational outcomes in schools that are in challenging areas, which is a slightly different perspective from what we were looking at. The Science, Technology, Engineering and Mathematics Network (STEMNET) ambassadors bring progressive industry people into schools to find new ways of exposing young people to technology. We found that working with those organisations is a very effective way of getting through to those schools.
1486. **Mr McGimpsey:** We know the pathways for becoming a doctor, a solicitor, a welder or a bricklayer. So, it is about working out the pathway and explaining it to youngsters. That is really what I am trying to get at.
1487. **Mr Bakhshi:** To be honest, that has been identified as a priority. Creative Skillset, the sector skills council for the creative industries, has identified that in precisely those terms. There is a need to spell out a creative pathway and then to communicate that to young people. It is a real challenge. Part of the difficulty is that there are a lot of different organisations representing different sectors, and they all have, for example, their own careers resources for young people. There is huge fragmentation, so it is very confusing. I do not think that I have seen the answer to that yet. However, I definitely agree with you. It has been identified as a big priority.
1488. **Mrs McKeivitt:** Thank you for your presentation. You spoke about effective interventions such as creative credits. Would you be able to provide us with additional information on the impact of credits for small businesses and how they would work in practice?
1489. Your paper states:
“NESTA’s research has found that UK businesses that invest twice as much in creative services as the average firm are 25 per cent more likely to introduce product innovations. However, many small businesses are unaware of these benefits”.
1490. What plans do you have to advertise that more, particularly in this region?
1491. **Mr Bakhshi:** One of the things I briefly alluded to earlier, which is worth bearing in mind, is that we set up Creative Credits to test out a new way of evaluating whether the mechanism works. One of the problems with all

- business support initiatives is that we do not really know what works, because the businesses that tend to apply for business support schemes tend not to be the typical businesses that policymakers are trying to target. You get, as an economist would say, selection bias. You do not know whether a business that is high performing after having gone through a scheme such as Creative Credits is high performing because it is better than the average business and was, therefore, always going to perform better or because of the initiative's impact.
1492. I mentioned that we configured Creative Credits as a randomised control trial. Without going into the details, what that essentially allowed us to do, with a much greater degree of confidence, was assess the additional impact that the intervention itself — the credits — was having on business performance. We did that by tracking, over a two and a half year period, the business performance of the businesses participating in the scheme and those that applied to the scheme but did not actually get the credits. We randomly awarded the credits as well just to make sure that we did not induce any of the biases that I mentioned earlier. I say that because it means that I can say what I am about to say about Creative Credits with a much greater degree of confidence than is the case for any other intervention. I think that the methodology is probably the main learning from Creative Credits. When Governments are devoting hundreds of millions of pounds to business support, they really should put a small percentage of that into rigorously evaluating pilots, because then they will know what is working.
1493. We found that the scheme clearly succeeded in connecting businesses that would not normally have worked together. We know that roughly eight out of 10 credits were used to form relationships between SMEs and different sectors, and creative business and that that would not have happened otherwise. Two out of the 10 SMEs may have gone on even without the credit
- to do their work. So, we know that as a model for connecting people — if you consider that connecting in itself is a good thing — this worked.
1494. We published an interim report on this last spring. The one thing we learnt was that if you looked at the performance of the SMEs that participated in the scheme up to six months after the projects they had engaged with finished — so it is a short-term impact — you found that they were introducing more product innovations and new ways of managing innovation in their business than those that did not participate in the scheme. So, there was quite clearly a very significant short-term boost to how innovative those businesses were being. The research we are about to publish shortly shows that when we connected with those businesses again 12 months down the line — giving them a bit more time to look at the impact — we found that many of the benefits appeared to be attenuating. They are still there but are attenuating. We did a lot of qualitative and interview work with some of the businesses that participated in the scheme, and from that, we are able to pinpoint some of the reasons why those longer-term impacts were not sustained.
1495. In summary, we found that businesses participating in the scheme innovated more and had higher sales growth than they otherwise would have. In the short term, there were very clear significant benefits. However, six months down the line, many of those benefits appeared to be disappearing. In some senses, you may think that what Creative Credits does not appear to have succeeded in doing is nudging businesses into permanently changing the way they behave. In many ways, that is not surprising. There was no brokerage in the scheme; it was purely transactional. We connected businesses and then observed how they performed. What we did not do was have any brokerage. That was deliberate. We wanted to test whether you could run a very cheap way of supporting businesses. We found that the answer is yes — in the short term,

- you can get very significant impacts by having this market-friendly mechanism — but that, if you want to sustain SMEs on the path to innovation, you probably have to do more work. That is certainly what we found in Manchester.
1496. **Mr McMullan:** Have you spoken to Invest NI?
1497. **Mr Downie:** We had discussions with Invest NI about a number of things. It was involved in discussions with DCAL on the R&D fund, as I mentioned earlier.
1498. **Mr McMullan:** What level did those discussions take and what content did they cover?
1499. **Mr Bakhshi:** That is the conference call we had. Graeme arranged a conference call between me, DCAL and Invest. We were still piloting the scheme, but I was very open about how much it cost to run it, what the different partners had put in and what we were learning. I am hoping that that was the first of many and there will be follow-on discussions. I am certainly very keen to continue to at least explore whether the salient features of this model can be adopted in Northern Ireland. We are piloting the programme in Scotland. The Welsh Arts Council has taken an interest, and BETT has taken a big interest. I think it will be quite important to explore whether the mechanism could work here.
1500. **Mr McMullan:** Are you taking any funds with you or do expect to get funding?
1501. **Mr Bakhshi:** Because we do have financial independence and a budget, the way that Nesta typically works — certainly the way I work with Creative Credits and the R&D fund — is to seed projects. However, our goal really is to test propositions that, if they work, are going to be taken up by our partners. Therefore, from my point of view, the pilots need to be co-funded and be partnership arrangements. That makes for a much more effective partnership. In the discussions I have, I would say, for example, that Nesta has already piloted this fund, put a significant amount of money into piloting it in England and put some money into piloting it in Scotland with our partners in Creative Scotland. At some point, when the model becomes sufficiently refined, I feel that that is the time when we should not bring more money into it. We have done our work. We are quite close to that with the R&D fund. We have persuaded our partners in England to roll this out into a full-blown programme. We are close to having a nuts and bolts programme. We share everything. We share the entire proposal, the nitty-gritty and the data that comes out of these evaluations. I publish all of it. I give out all the data. That is where I think our contribution ultimately lies, rather than in money beyond the piloting stage.
1502. **Mr Downie:** That is a general point about the way Nesta works. Almost everything we do, or as much as we possibly can, is open-sourced. We share everything; as Hasan said, the nuts and bolts of the evaluations of programmes. Take one example: an evaluation of Starter for 6 in its first year that was not entirely complimentary. That was published and we responded to it, because the way to honestly test a pilot or new initiative is not to go in and say you will do it for three years — if it does not work after year 1, you need to change it.
1503. **Mr McMullan:** So, you have financial independence. Who funds you and how much is that funding?
1504. **Mr Downie:** We have an endowment from the National Lottery and we live off the interest from that.
1505. **Mr McMullan:** What sort of money do you get from that?
1506. **Mr Downie:** I think that our budget for this year is around £16 million.
1507. **Mr McMullan:** So, to put a programme in over here, you would expect, at the very least, the Departments to co-fund that?
1508. **Mr Downie:** That would be our usual model of working.
1509. **Mr Bakhshi:** We do not have hard and fast rules. We are quite flexible.

- Take, for example, the Destination Local programme, which involves have partnerships in the regions. It can vary.
1510. **Mr Downie:** The Destination Local programme is a very interesting way of co-funding a programme. What we have agreed with the Welsh Assembly and Creative Scotland — again, it is something on which we had initial discussions with DCAL — is rather than asking them to come to us with cash on the table, they have, essentially, ring-fenced a pool of money. In the event that we have programmes from Scotland or Wales, they will then co-fund the programme. What Nesta will not do, which I believe is entirely correct, is select programmes on a geographical basis. We will support the best applications and programmes.
1511. **Mr McMullan:** Have you got co-funding from the Scottish Parliament and the Welsh Assembly?
1512. **Mr Downie:** We have for some programmes. As Hasan says, we work in a flexible way.
1513. **Mr Bakhshi:** Destination Local has got some —
1514. **Mr McMullan:** Have you talked to the equivalent of DCAL in Scotland and Wales? Is there an equivalent?
1515. **Mr Downie:** Yes. In Scotland, it is Creative Scotland. I was not a part of the discussions with the Welsh Assembly, but I think it was the central Welsh Assembly Government.
1516. **Mr McMullan:** How much did they put into the programme?
1517. **Mr Downie:** For Destination Local, they have not, as I said, put in anything directly, but Creative Scotland has ring-fenced £150,000 and, in the event of there being Scottish programmes, it will open up that money for us to support them. If there are no Scottish programmes at all, and no Scottish applications are successful, that money will not be spent but will go back to Creative Scotland.
1518. **Mr McMullan:** What about Wales?
1519. **Mr Downie:** I am not aware of the number for Wales. I was not involved in those discussions. I will have to get back to you with the numbers from the Welsh Assembly Government.
1520. **Mr McMullan:** How many people do you employ at Nesta?
1521. **Mr Downie:** I think it is round about 85 to 94.
1522. **Mr Bakhshi:** It is currently 85. It is of that order.
1523. **Mr Downie:** It varies. It is always under 100, so we are quite a small organisation.
1524. **Mr Bakhshi:** There were 70 up until about two years ago, so we have expanded a bit.
1525. **Mr McMullan:** Has Invest NI indicated that it might provide any funding?
1526. **Mr Downie:** It has not been able to confirm funding yet.
1527. **Mr McMullan:** Thank you very much.
1528. **The Chairperson:** Do you find that your programmes work better where there is a defined creative hub in an area? You spoke about operating on a regional level, as opposed to through local authorities. What is your best experience?
1529. **Mr Downie:** It varies. We have done a lot of work with one of the programmes that we are running at the moment from the Dundee office across the UK, called the Games Consortium. It is working with a number of games companies. Some of them come from the places you would expect. Dundee has a very strong video-games hub, as does Brighton. That also includes a company from Newcastle, which is not particularly known as a hub for this. So, it varies massively. Most programmes that we do are open calls to anyone. So, we tend not to work in just one particular area. Creative Credits in Manchester is probably an exception to the way we usually work. We are interested in the idea of the business, rather than intensively focusing on just one particular geographical area.

1530. **Mr Bakhshi:** I think you end up having a bias. If you are a visual effects company working in Soho, for example, you are inevitably better placed to put in a more effective application for the funds and also to seek private finance because you are a part of that community. You are at the cutting edge, absorbing information and all that stuff. So, I think that there is probably an inherent bias towards interventions generally towards clusters. That said, a lot of the work we do is about digital technology and, by its very nature, the work can be much more widely distributed. That is not to say that, in practice, it is always as straightforward as that. There are these tendencies for applications to cluster from areas where there are strong support networks. However, with these technology interventions, that is a countervailing force, as it were.

1531. **The Chairperson:** Thank you for your presentation and for taking questions. That has been useful.

1532. **Mr Bakhshi:** Thank you very much.

17 May 2012

Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
 Mr Dominic Bradley
 Mrs Brenda Hale
 Mr David Hilditch
 Mrs Karen McKeivitt
 Mr Cathal Ó hOisín

Witnesses:

Mr Nick Livingston *Arts Council of*
 Ms Roisín McDonough *Northern Ireland*
 Ms Lorraine McDowell

1533. **The Chairperson:** I welcome Roisín McDonough, the chief executive, Lorraine McDowell, the director of operations, and Nick Livingston, the director of strategic development. I welcome you all to our Committee. Thank you for responding to our inquiry.
1534. **Ms Roisín McDonough (Arts Council of Northern Ireland):** Good morning.
1535. **The Chairperson:** Roisín, would you like to introduce your team again? Although no one is a stranger to the Committee.
1536. **Ms McDonough:** I introduce Lorraine McDowell, who is our director of operations and has responsibility for running the creative industries innovation fund, which is pertinent, obviously; and Nick Livingston, who is our director of strategic developments, which, again, has a bearing on this whole matter. I am Roisín McDonough.
1537. **The Chairperson:** Would you like to make an opening statement, and then members will ask some questions?
1538. **Ms McDonough:** Thank you for the opportunity, Michelle. We want to give you a little bit of an update rather than rehearse our earlier written submission, which you have. I have referred to the creative industries innovation fund, and we welcome the Programme for Government's commitment to that, with

its target of supporting 200 projects. I want to give you a bit of an update on where we are with that particular issue. In November, we made awards totalling just under £400,000 to 41 businesses. We are in assessment mode at the moment, with 100 applications seeking just over £1 million from the fund. Those decisions are going to be made by the end of the month.

1539. A figure of £4 million over a four-year period has been quoted for the creative industries innovation fund, but I want to advise the Committee that we do not get £4 million to allocate to the fund itself. The Department takes some of the funds to cover its own costs for the creative industries post and to facilitate the development of activity that it undertakes under its own aegis. The Arts Council reduced the number of posts that it had from three to two to enable us to deliver and promote the fund. Therefore, the amount available for the distribution of grants will be in the region of £2.2 million to £2.4 million. We are awaiting confirmation of that figure from the Department in respect of the current year's allocation. It is a really important programme, and the benefits that it reaps have already been articulated to the Committee, and they should not be underestimated. We would like the programme to continue in the future.
1540. The Committee kindly sent us information about the European creative districts programme, which was a call from the Directorate General for Enterprise and Industry in the European Commission. On behalf of the north-west region, the Arts Council took the lead and submitted a proposal to the call. We worked with Derry City Council, Ilex, the Culture Company, Digital Derry and the University of Ulster in developing an initial expression of interest in a very short time, and we seek the Committee's support to get to the next stage on that. The proposal

- focuses on efforts to incubate the creative industries, particularly in the fields of fashion and textiles, publishing, music and creative festivals in the north-west region. There is a cross-border dimension to it, and it builds on all the efforts that have been made in respect of the One Plan for Derry/Londonderry. Therefore, we are hopeful that the application will at least be shortlisted. Whether we make it through the entire process is another matter.
1541. I also want to assure you that we continue our very close working relationship with Creative and Cultural Skills, the sector skills council, and I know that it has been to see you as well. A practical example of that was the two policy seminars that we ran jointly. Those were successful in getting really good dialogue between policy makers and people who are engaged in delivering in the creative industries field. As you will know, Creative and Cultural Skills is housed in the Arts Council, so we have good communication there. We welcome the recent developments regarding its new staff, and, in particular, the post of a creative apprenticeships programme manager. We believe that it will create pathways for young people in particular, with a focus on disadvantaged young people, to find a way into the creative industries, and we will support Creative and Cultural Skills in that. That was a very quick update, Chair.
1542. I will make three or four points in relation to the recommendations that the Committee might like to consider. Everybody knows how unfavourable the current macroeconomic climate is with respect to banks and the difficulties that small businesses and others face in trying to access credit lending. However, the encouragement of venture capital or angel capital investment in exchange for the idea of equity shares is a really important tool in a much wider toolkit. People will have seen 'Dragon's Den', and, advocating that, without all the television dramatics, is probably a sensible approach.
1543. Northern Ireland is small, so we may need to look further afield in that regard.
- However, a combination of private investment, loans and grants should be considered in future for some of our more successful creative industries projects, which are on the cusp of significant growth.
1544. A good example of that is Digital Derry, which managed to assemble a group of investors who are prepared to speculate, in this instance, up to £100,000. They are ready to go and are looking at a particular cluster of activities in which make that investment. We commend that.
1545. In that context, I do not know how much the Committee has heard about the National Endowment for Science, Technology and the Arts's (NESTA) pilot accelerated programme, which is based on the US model, but, again, we commend that. Although it has some of the normal characteristics, it is different because it is time-limited support and has a series of programmed events and intensive mentoring. It has also cohorts or classes of start-ups rather than individual companies. Again, if we were to take the creative industries innovation fund forward, we would like to focus not on individual companies but on clusters and, indeed, on an intensive mentoring approach.
1546. I just wanted to say that we took the initiative to approach the Institute of Directors, because we were conscious that our companies needed mentoring and support. They needed that when they needed it rather than just when a general programme was available for people to go on. So, we brokered that arrangement, and people are finding it useful. Again, we want to evaluate that.
1547. The other element that we want to stress to the Committee while it is considering its recommendations is the importance of networking, which encourages vital collaboration. Infrastructural support bodies have an essential role, and it is our belief that they should continue to be supported in the future. In the digital sphere, you will know that we have Digital Circle and Digital Derry, but we also have Craft NI, the Design Alliance and Publishing

- Northern Ireland. We believe that there is a need to create a lead organisation for the music industry, and we know that is in the pipeline.
1548. There is a ladder of progression; we are aware of that. The creative industries innovation fund gives small grants of up to £10,000. We fly beneath the radar of Invest Northern Ireland, which is really focused on innovation but not yet in the creativity agenda. In that ladder of progression, we recognise that some of the companies that we are supporting will progress to become Invest NI clients. That is essential if they are to grow and to continue their export focus.
1549. I have just two final points, the first of which is about education. I know that the Committee has heard references to putting the steam into STEM, so to speak, and we endorse that. We want to see creativity and the arts at the heart of our curriculum, and we need to liaise and speak to the Education and Skills Authority about that. More work needs to be done there, because, for us, it does not make sense to have that exclusive focus without creativity and the arts also being included. We know that you heard from Creative and Cultural Skills and Creative Skillset on the issue of the skills agenda. They have already made cogent points about the need to link employers' skills needs with that which is provided by further and higher education to get the workforce ready and suitably qualified to take up potential jobs, and that is right.
1550. At the higher education level, we welcome the universities' efforts to extend incubation units for start-ups. However, although they are doing that, more needs to be done. Indeed, we also welcome their efforts under the knowledge transfer partnership scheme, where universities, as you know, collaborate with those working in the field of innovation in science and the arts, with some government funding, to develop businesses. The UK has a body to do that. I suppose that we in Northern Ireland can tap into that, and we have made contact with it. However, I suppose we should consider whether one needs to be set up for Northern Ireland — a Northern Ireland-wide knowledge transfer partnership arrangement. Again, that question is worthy of consideration.
1551. The other point is not so much about what business and government only can do for the creative industries, as important as that is. NESTA asked the question the other way around: what can the creative industries, creative businesses and creative entrepreneurs do to help small businesses innovate and be more creative in their services and products? It set up a creative credit scheme to enable that happen, so it is a two-way street. We commend that approach.
1552. Finally, we need the consortium approach across government. We need that co-ordination, and we will continue to pledge to play our part in all of that as we move forward. Those are my brief opening remarks, Chair.
1553. **The Chairperson:** Thank you very much, Roisín. The Committee noted previously that, when the creative industries innovation fund (CIIF) funding was announced, there would be a reduction from the previous round. It is noted in your paper that there is a 40% reduction, and I am quite concerned that you come to me and say that you have £4 million but, actually, you do not have £4 million. You say that you have, maybe, £2.2 million or £2.4 million. That is a huge reduction. Is that similar to how the previous funding stream was administered? Was such a large proportion taken off at source, essentially? How can that be accounted for?
1554. **Ms Lorraine McDowell (Arts Council of Northern Ireland):** The previous CIIF was a £5 million fund, and, in the paper, we say that we gave £3.9 million in grants. This time, it is a £4 million fund, with £2.2 million available in grants. The top-slicing was not as great in the first round of CIIF. We received around £800,000 a year, and, this time, we are looking at something more in the region of £650,000. The Department has made the decision to retain some

- of the funds for its own activities and to facilitate other creative work.
1555. **The Chairperson:** Do we know what that other work is?
1556. **Ms McDonough:** We are not in a position to give the Committee that information.
1557. **The Chairperson:** The Committee may wish to approach the Department about that.
1558. Thank you for your paper. You cover quite a number of the issues that have been discussed over the past weeks, and various themes are coming through that will make it much easier for us when we come to make our recommendations. You mentioned that proposals for Creative Europe are currently being considered. How could that benefit Northern Ireland, and how could a creative hub in Northern Ireland work within that proposal?
1559. **Ms McDonough:** Under the creative districts proposal, two regions throughout Europe will be chosen. It is a demonstration of an exemplar programme. Two projects will be chosen to show how creative industries can help to trigger regeneration and how they can be accelerated and grown and developed in the context of a regional economy. That is the purpose of the programme, and we have made an application for the north-west region. As I said, we have talked to our partners, and we believe that this very much builds on the work that has happened, for example, with Project Kelvin. Derry city will be a place with full broadband connectivity at high speed. There is a master plan for the city region area, and there has been terrific co-ordination and co-operation. There is the City of Culture. All of that makes for very propitious circumstances into which a project called the creative districts could be developed and which would provide that kind of learning that Europe needs and, indeed, which we need on the island and further afield to see the specific detail of what will be done to help these businesses grow and develop in particular spheres of activity. So, perhaps we could build on indigenous, traditional industries. That is why we mentioned fashion and textiles, as well as music and festivals. Those are the cultural and creative assets that you find there. More support for those kinds of initiatives needs to be brought to bear. I omitted to say that the university is also one of the partners. We have to bring some match funding to that. I think that up to €0.5 million is available for each project, of which there are only two. Essentially, that is the nature of the proposal. As I said, we have submitted our expression of interest, and we will hear, I think, by the end of June whether we have been shortlisted. If we are shortlisted, we have to put in a hugely detailed proposal — as you will appreciate, it is never easy to get European money — by the middle or end of August, for likely commencement at the end of November, if not December. The only reason we mentioned that is that the Committee sent us the information. We looked at that, thought it was appropriate and believed it was a good programme.
1560. **The Chairperson:** So the Committee can get some kudos for that.
1561. **Ms McDonough:** You can take even greater credit when we win. So, thank you for signposting that. As I said, any support you can offer would be terrific. We will be talking to our MEPs and others as we move forward to see whether we can get their support.
1562. **Mr Nick Livingston (Arts Council of Northern Ireland):** May I add a little bit to that? There are very specific things about the north-west region that will be of interest, not least Derry's peripherality in Europe. I think that that will give the Derry bid, under an open call, which is what it is, some edge over the bids from other regions. I think that there are circumstances prevailing in Derry, in addition to the points Roisín made about the investment infrastructure, the new digitally enabled technology that is being installed and the new creative industries hub. I think that certain features of regions that are peripheral to central Europe will be of interest to the

Commission as it tries to bring forward proposals for what it wants to do under the initiative.

1563. I wanted to mention a second point. In your question, you talked about Creative Europe, which is different from the specific open call. I just wanted to add one note about the need to internationalise what many of our artists are doing at the moment. Creative Europe is the global name that the Commission is giving to the replacement fund, which is valued at around €1.9 billion, and which will come into effect from 2014. We have been working with many of our funded clients to gear up their energy and efforts so that they are ready for those changes when they come. The Committee may be interested to know that, as part of that, we have been running a series of information days with clients. The next one will happen on 30 May, and we are, in fact, hopeful that at least one of our MEPs will be at that event.
1564. I just want to give the Committee a sense of what has been happening up to now. In the past three years, the level of successful outcomes, if you like, for some of our funded clients has risen steadily. This year up to the present, working on the European calendar as opposed to the UK financial calendar, we have tracked grants of some £345,000 made to a variety of arts organisations in Northern Ireland. We thought that a useful way of trying to steel resolve and encourage others would be to present a series of case studies, and that will happen at the event later this month. That is part of the general effort that needs to be expended to raise levels of international awareness and, indeed, European connectivity for all our cultural organisations.
1565. **The Chairperson:** You commented on the difficult economic conditions and the need to explore private financing, citing a number of examples. How do you think the use of angel capital and private finance could be encouraged? Who should take the lead on that? Is that something that you, Arts and Business

or the Institute of Directors (IOD) needs to lead on?

1566. **Ms McDonough:** I do not think that there is any one answer to that. There are business networks, such as the Confederation of British Industry (CBI), IOD and the various chambers of commerce at a local level. Arts and Business's Reach programme is a fine example of that. It encourages arts organisations to get match funding that levers the funding that it gives those organisations. For every pound, they manage to lever around £4 or £5 from the private sector. That is a good model and is in the form of a grant, as opposed to a loan in exchange for equity. Calibrating the grant versus the loan in exchange for equity at the right moment in a company's development programme is hugely complex. We were looking at Arts Council England, which is also going to run a programme for the creative industries, and it is talking about a revolving-loan fund. Obviously, the circumstances are different there. There may be issues of scale associated with companies in England or the UK that are different from those in Northern Ireland. It is talking about loans of £25,000 to £50,000, while we are giving out grants of £10,000 because of scale issues, and that has been successful. There needs to be a combination of these.
1567. It is a stepped approach. We cannot continue to sustain over a longer period just the proposition that we will be giving out grants from now until 2015 or 2020. As Lorraine knows very well, we have experience of when we in the Arts Council were investing in the film industry before we devolved our lottery funding to Northern Ireland Screen. To help to broker private finance, we gave a grant, and, if the project was successful in attracting income, we took a portion of that income back and reinvested it into the lottery funds available for distribution. That kind of approach is worthy of consideration. That should not be the exclusive approach adopted, but a portion of the future allocation

- of funds should be set aside in that manner to leverage further funding.
1568. We are conscious that Invest NI will not fund anything below the £100,000 radar, so, between our £10,000 grant and the £100,000, there is quite a spectrum of activity. In essence, we are saying that a combination of the approaches that I have suggested is worthy of being looked at, and we will evaluate the programme accordingly and try to test that proposition with some of our funded clients.
1569. For example, Dog Ears from Derry city was a small publishing company that applied for the creative industries innovation fund. That gave it a bit of money, and it created an app. It now has some money from Invest NI and a bit from NI Screen, and it is looking at moving into the digital animation area and going global. Crucially, it now needs private sector investment. It has the government grants and the other bits and pieces, and private sector investment is critical to enable it to get it to that export level, and 'Miss Rosie Red' is a tremendous example of where it could be very successful and internationally acclaimed. It will maybe get on to 'Dragons' Den' or whatever it is. It might require hundreds of thousands of pounds, and finding that level of investment is a very complex area. As we know, all those companies need to hit the jackpot is one or two successes. There is not an easy answer, but it is a combination of various levels and types of support when people need it. We need to get better at that.
1570. **The Chairperson:** The timing is critical.
1571. **Ms McDonough:** It is.
1572. **Mr Ó hOisín:** Good morning. It does not need saying that I am delighted to hear of any good news for the north-west. Those of us from that neck of the woods know that Derry is the capital of culture and has been for quite some time. I am also particularly happy that this has been done on a cross-border basis, because I believe that the creative industries — without making any political point — are all-island industries, particularly when it comes to film and television. The likes of orchestras, music, skills, apprenticeships and what have you are best delivered through an all-island approach.
1573. I have only one contentious question. A lot is being squeezed in this year and next year, particularly in the north-west. I had a meeting last Friday with the Culture Company to assess how that is being widened out to the adjacent council areas and, indeed, to the broader region. I know that it has met the likes of Donegal County Council, Inishowen Tourism, Strabane District Council, Coleraine Borough Council and the rest of the councils in that area. I just wonder whether a lot of what has been envisaged is doable and deliverable within the timescale. I know that there is also a legacy issue, but is this doable? There is a countdown and there are 200-odd days to go. So, my question is this: how practical is it?
1574. **Ms McDonough:** I do not want to labour the point about the European creative district proposal too much, lest we fail at the first hurdle. It is a two and a half years initiative. The Culture Company obviously has an awful lot of work to do in order to deliver an outstanding programme that everybody will acclaim and from which there should be a legacy. However, it is focused on delivering a cultural programme for the year. This is really about the capacity of the creative industries to contribute to the economic regeneration of the region. In a sense, it is relevant and pertinent, and I would say that it is complementary. I do not think that it will detract from the necessary activity that the Culture Company and its partners will need to engage in to deliver that wonderful programme. I would make the distinction that we are talking about the university, the institutes of technology, Digital Derry and businesses as opposed to a cultural programme.
1575. If we were successful, that would be a real fillip and a good boost and a lot would be learnt from it. We would gain learning from what is an exemplar and a

- demonstration programme. It would not solve the economic difficulties that the north-west region faces because of its peripherality and other issues. However, it would provide valuable learning, which could, in turn, be drawn on as we try to develop that across the whole of Northern Ireland and beyond.
1576. **Mr Ó hOisín:** At what stage of advancement is the Ebrington project, which has been central to all this? How important, particularly within the wider north-west area, are community festivals, which have lost out somewhat in the past number of years?
1577. **Ms McDonough:** I am not in a position to speak about the Ebrington project other than to say that Ilex has been involved as a partner. We are aware that buildings 80 and 81 at Ebrington will become a creative industries hub. That is under way. We are aware of that and welcome it. It will provide incubation units and the kind of clustering and hub of activity that are characteristic of successful creative industries activity, as shown by the NESTA report. So, we welcome that.
1578. On the issue of community festivals, as you know, the Big Lottery Fund and the Arts Council have made a contribution towards a fund of £1.1 million to enable community activity to benefit in the run-up to the City of Culture celebrations, to ensure that communities do not feel that they are somehow locked out or that they cannot avail themselves of resources to make their contribution to the City of Culture. As I said, that dedicated fund has been set up, and we are a contributor to it. It is important that we recognise that there are other kinds of important activity.
1579. **Mr Ó hOisín:** Do you agree that there is a disparity between the amount of projects that are located in the greater Belfast region and the amount elsewhere, particularly in the north-west?
1580. **Ms McDonough:** The Executive's commitment of £12.6 million to enable the programme delivery for the City of Culture has been hugely welcomed, especially by people in the city of Derry but also by the wider public in Northern Ireland and the Republic. When I talk to people, they say that it is fantastic. They see it as not just Derry City of Culture; in many ways, it is the Northern Ireland, Ireland and UK City of Culture. It has all of that possibility and all of those links. It is welcomed. I am on the Culture Company, and we are very pleased to play our part. We are supporting it through other funded activity, including our Lottery funds and other sources, to help to put on that programme. The £12.6 million is not enough, resources are needed from elsewhere, but it is a stonkingly good chunk of it. The Executive are to be congratulated for making that investment.
1581. **The Chairperson:** I imagine, Mr Ó hOisín, that other Members who represent different constituencies would more than welcome an investment of over £12 million in their constituency and would be quite happy with it.
1582. **Mr Ó hOisín:** Chair, I do not doubt that at all. I was asking specifically about the community festivals fund.
1583. **The Chairperson:** I would be more than content if that were ploughed into the peninsula.
1584. **Mr Ó hOisín:** It probably has been in the past.
1585. **Mr Livingston:** I wonder whether it would be appropriate for us to send you a copy of the concept note behind the district proposal. We could send that to the Committee, and it would give you a bit more depth on the outputs and all the activities that would be happening over the 30-month period. It might give you a sense of how that sits coterminous to all of the other programmes that are going to be rolled out as part of 2013.
1586. **The Chairperson:** That would be useful. Thank you very much.
1587. **Mr Hilditch:** Roisín, what are your views on the need for a design strategy? That point has been made by other groups.

1588. **Ms McDonough:** I wear a Creative and Cultural Skills sector council hat as well as my Arts Council one. Speaking with both hats on, I would say that we commend the efforts, which have been self-starting, of the design sector in our society. The Design Alliance was formed; it has its website, it is running networking events, it is getting speakers over and it is coming together. One of the things that it endeavours to do is raise the profile of design and its central importance. Everything that we see, do and touch has a design consideration behind it, although that is hidden at times. It also looks at how it can collaborate to get contracts. It is very hard for small firms to get government contracts or other contracts. Your question is whether we need a design strategy for Northern Ireland. The answer is yes; anything that brings together a focus on design is important. It is not just to do with glasses or tables; it is not necessarily just physical products. In respect of a strategy for design, I was very seized about its extension to the designing of services that are streamlined, creative and innovative at the point at which users engage with them. When people think of design, they tend to think of a physical product, like an iPad or all the iconic designs and brands that we have, be they shoes, trainers, clothes or whatever. I thought that extending it to services that the public receive and engage with is a very creative approach. Do we need a design strategy? It depends on the sense in which we understand that. Anything that brings coherence is always to be welcomed.
1589. **Mr Hilditch:** Because of where the Arts Council positions itself in view of government, have you any views on why local councils have not really responded to the inquiry. I think that three of the 26 councils responded, which is a bit disappointing.
1590. **Ms McDonough:** That is disappointing. Before we came in, we were looking at the distribution of our funds, because, obviously, there will be concentrations on the conurbations of the Belfast City Council and Derry City Council areas. In the first round, our grants were spread across around 10 local authority areas. The last round included 17 local authority areas, so, as the fund becomes more widely known, you see take-up in those areas. I share your disappointment in that respect. I hope that Belfast City Council and Derry City Council have been to the Committee as part of your inquiry. Perhaps the focus of economic regeneration activity might have been a bit more conventional and traditional than looking at the opportunities that may arise in this area. I am surprised, because I know that, in the past, north Down has, rightfully and wonderfully, marketed itself as being the creative peninsula.
1591. **The Chairperson:** That is the Ards peninsula.
1592. **Ms McDonough:** Sorry; it was Ards, not north Down.
1593. **Mr Livingston:** Ards Borough Council did respond.
1594. **Ms McDonough:** I thought that that was quite a visionary concept, not only for cultural tourism but as a way of celebrating the fact that lots of microbusinesses and micro creative activity is going on in the area, which contributes to the wider sense of wealth and, often, well-being. I do not know whether Ards Borough Council has been before you. I hope that it has.
1595. **The Chairperson:** Ards Borough Council attended one of our stakeholder events and, as you mentioned, was a trailblazer.
1596. **Mr Livingston:** I will add one footnote to the point that Roisín made about a design strategy. It might be pertinent to mention that that might be an area that could be referenced in the development of the curriculum in Northern Ireland. It really needs to start early on. Sir John Sorrell was in Northern Ireland recently and spoke at a lecture in the University of Ulster about the work that the Sorrell Foundation had been doing to embed principles of good design into curriculum practice. I was struck by that, and there is much that Northern Ireland, as a

- region, might potentially do to follow on that lead.
1597. **Mrs Hale:** Roisín and the panel, what are your views on The Department of Culture, Arts and Leisure's (DCAL) creative industries framework?
1598. **Ms McDonough:** It is important that DCAL has taken the lead; it was the originator of the 'Unlocking Creativity' document. It is to be welcomed that it has managed to secure the funding and, indeed, is at the point of wanting to articulate cross-departmental policy on this matter and to co-ordinate that. I am glad that it took the lead. I know that it has presented that to the Committee and that it wants to establish an architecture and a structure to enable the delivery of increased activity in this sphere. It can be a crowded territory, but that is just the way that Departments are currently, with their numbers and their respective bodies. Co-ordination is essential, and the fact that DCAL is choosing to co-ordinate that is really good. We will play our part in that. We believe that our experience in delivering the creative industries innovation fund is valuable, and that should feed into that framework. Delivery bodies have a critical role to play. Policy is one thing; the implementation and delivery of policy on the ground is another. That is where we believe we have a very strong and important role to play. I cannot make any further comment than that. We are generally supportive of what DCAL is trying to do.
1599. **Mr D Bradley:** Good morning. I notice that your submission has a number of paragraphs on tourism. It states that cultural tourism represents between 35% and 40% of the overall product and that that is increasing by around 15% per annum. It also states that cultural tourism is the fastest growing tourism sector. Do you think that we have developed a readily recognisable and identifiable cultural product for Northern Ireland?
1600. **Ms McDonough:** We are getting there. We work very closely with the Northern Ireland Tourist Board to ensure that the development of cultural tourism is one of its key strategic objectives. If we were to look back to four or five years ago, we would find that cultural tourism did not exist to the same extent that it does now. So, we welcome that. I think that we work well together. Anybody who has been in Belfast over the past few weeks could not help but be struck by the enormous energy, vibrancy and buzz in the city. Obviously, the 'Our Time, Our Place' campaign has been very successful in giving focus to the cultural tourism industry in Northern Ireland, particularly for the Titanic centenary, the Titanic signature project and the opening of the Metropolitan Arts Centre (MAC) recently.
1601. The MAC is one thing that we happen to know about. People increasingly talk about it as if it is a visitor destination as much as an arts and cultural facility; both are important. People go to look at the building and just to be part of the ambience. So, we now have a strengthened cultural tourism offering, and that is to be welcomed. As you know, one of the things that we will continue to argue in favour of is the provision of a dedicated public gallery. Although the MAC has good facilities, a public gallery is, nonetheless, absent from Northern Ireland. We believe that that is a gap. Visitor attractions are terrific. However, people want an offering with depth and breadth, of which, we believe, a gallery is a component.
1602. **Mr Livingston:** I will add one or two comments. First, there is no cause for complacency. Bear in mind that Northern Ireland as a region and Belfast as a city are classed as "second holiday" or weekend break destinations, which are the most competitive parts of the market. To achieve what is called "stand out" in that very competitive marketplace, you need to be not just excellent but outstanding. In the coming years, the work we will have to do collectively with other players in the tourism industry — the Tourist Board and other cultural organisations — will play a part in that.
1603. I want to give the Committee a sense of how that work has already begun.

Some of our cultural organisations, for example, are bringing animation and life to places where cultural infrastructure exists in Belfast and, in particular, in the Titanic Quarter. That has given a real sense of what could be achieved. We have had a number of very successful productions, for instance, that have been put on in historic venues. That is something that could be built on, grown and developed. We have been leading with the Tourist Board on a series of industry seminars and masterclasses for the cultural sector. That definitely raises our game in respect of the level of awareness and how to broker partnerships, particularly with the hospitality sector, to make sure that what is being offered to the tourist is coherent and meaningful. Even in that regard, work needs to be done with other players. The Strategic Investment Board (SIB), for instance, should be involved. It has recently commissioned a piece of work to look at the coherence of the cultural tourism offer in Titanic Quarter in particular.

1604. **Mr D Bradley:** I was thinking also along the more traditional lines. We have a very rich literary history here; some of it is not yet history. I was thinking of John Hewitt, Louis MacNeice, Seamus Heaney, Brian Friel, and so on. Are we — maybe I am bit of a philistine for using this word — exploiting them sufficiently from the point of view of tourism? Seamus Heaney, in particular, has achieved world status as a poet in the English language. Considering what the South has done with Yeats, Beckett and Joyce and so on, we do not seem to get the same sort of afterglow from those figures as perhaps we could.
1605. **Ms McDonough:** I was at a round-table discussion with Tourism Ireland, and exactly the point that you made arose. It came from people who were involved in the John Hewitt International Summer School. They said that it struck them that the Arts Council is only really interested in the big things and how we sell and market them. They are a small-scale festival in Armagh, and they highlighted that they were the only thing that really happens at that period in the year and that they attract in several hundred participants. They told us that it is very lively: the shops and restaurants love it when they are there. They have important messages to give out, and they said that their brand is a very rich literary brand. The challenge that was thrown down was whether we were interested in them. The answer that came back was absolutely. The proof of the pudding is in the eating, but the point that you made is a very substantive one.
1606. We have a myriad of smaller-scale niche festivals distributed across Northern Ireland. People who are interested in literature, talks, exhibitions and that kind of programme come for those festivals. They are not profiled enough or understood enough, and we fund quite a lot of them. Their profiles need to be raised. For example, the International Beckett Festival is being established as we speak, and we are involved in funding that. We hope that that will give a focus to Enniskillen because of the connection with Portora Royal School. You are right: all of those activities and festivals need to be part of that niche offering. One of our stand-out unique selling points is our rich literary and musical heritage. It is second to none on this island and in these islands and beyond. We will work with the Tourist Board, Tourism Ireland and our clients, as Nick said, to try to get that profile. They need it and deserve it, and we should be proud of them.
1607. **Mr D Bradley:** When you meet the Tourist Board, do you discuss the cultural product and how to mould that and present it?
1608. **Mr Livingston:** We have a memorandum of understanding with the Tourist Board, which means that we meet at least once every quarter. We discuss a set programme of items when we meet. Our work is primarily, as you can imagine, leading up to the opening of the signature project in Belfast. It has been largely around cultural infrastructure and so on.
1609. **Ms McDonough:** And the cultural Olympiad as well.

1610. **Mr Livingston:** Exactly. But, in a sense, as that relationship develops, grows and matures, the range of things that we are discussing and the potential areas for co-operation and common work are growing all the time. It strikes me that there are things that we could do around creating common portals and destination stand out; for example, facilitating people who are coming to Northern Ireland to collectively purchase not only their hotel accommodation and travel but tickets for shows that they want to see or festivals that they want to visit. Those are practical areas where we can co-operate and work together.
1611. **Mr D Bradley:** You mentioned a national gallery for Northern Ireland. That would be a major contributor to the cultural life here from the point of view of tourism and encouraging the visual arts. Would there be an opportunity to link in with the National Gallery of Ireland in Dublin and have a symbiotic relationship, which would mean that works could be shared across the island?
1612. **Ms McDonough:** The Ulster Museum has been successful in that regard, in showing some of the 'Treasures from the North', as they call it, that have gone down to the National Gallery of Ireland in Dublin. We all visited that. There are opportunities for exchanges. I suppose the issue is the sheer physical limitation on size and what can be shown at any one point, hence the need to strengthen the physical infrastructure for gallery provision. Of course, galleries co-operate and things rotate. For example, the MAC is in partnership with the Tate, hence the Conor and Lowry exhibition is there, which is fabulous. That is the first time they have been put side by side.
1613. So, you will get a degree of co-operation and that is brilliant for people who do not have the opportunity to go to London, Dublin or wherever it is to see such iconic works. However, there still remains the issue of the physical infrastructure that needs to be addressed because, as we said before, 90%-plus is in storage at any one time. Many of our treasures are by great Northern Irish artists whose work you just cannot see, and that is a shame.
1614. **Mr Livingston:** That exhibition, which was put on three years ago in the millennium wing of the National Gallery of Ireland, proved to be exceptionally popular. I remember checking with the institution at the time and it told me that in the first three months there were 66,000 visitors. The thing that is striking about that is that those are important works created by indigenous Irish artists. They speak of this place and many are fabulous landscapes that we do not see with sufficient frequency. They span a considerable period, of that appealing area from, say, the pre-Raphaelite period right up to the end of the Second World War. That is a rich resource available to us, which visitors to Northern Ireland would like to see but are impeded in doing so because we simply do not have the physical space to show it.
1615. **Mr D Bradley:** Is there an interest group working towards a national gallery or is it just an idea that is floating around at the moment?
1616. **Ms McDonough:** The Arts Council has been prosecuting that since before I joined it, which is now 11 years ago. It has been prosecuting it for the past 15, 16, or 17 years. It is a journey filled with hope that has not yet evaporated. But is there a group? We are all highly conscious of the resource constraints, and capital development budgets have been really pruned. We have to be realistic in that regard. I suppose it is like many things in life; if you think an idea or proposal has merit or is worthy, you will prioritise it. We are trying to persuade and advocate for the need for such a facility. Maybe, it is the kind of Chinese proverbial drip, drip, drip on the stone, until, eventually, someone says, "Actually, that is a really good idea. We are going to do it." Lots of people say that it is a terrific idea, the difference is saying that you are going to do it, and we are not yet at that point. Any continuing assistance from the Committee as a champion for that is welcome.
1617. **Mr Livingston:** The SIB has commissioned a study to look at the

- coherence and the bits that are missing in the fabric at the moment. We have raised that with it again, and that is something that you could perhaps reinforce if you get the chance to do so.
1618. **Mr D Bradley:** Sometimes, if you have a group of advocates, as well as tapping into government funding, they can source funding from philanthropists and various other areas. If you look at the example of the new Lyric Theatre, there was departmental funding but there was also private funding, without which the project would not have got to where it is now. So, perhaps that is a direction that we should be considering.
1619. **Ms McDonough:** Absolutely. The Lyric Theatre got the single largest capital donation of £1 million. Well done to those involved in the project, and well done to the Naughtons, who said, "That is where we want to put our money." The relationships that you build with potential investors are long term. If you are talking about a gallery, you are really talking about £50 million or £60 million or thereabouts. That is a significant investment, comparable to, although maybe not quite as expensive as, the Titanic signature project, and that is necessary for it to have the required scale and visibility. Getting private sector investment to match any public sector investment on that scale is hugely difficult. However, as I said, we are hopeful all the time.
1620. **Mr D Bradley:** Thank you very much.
1621. **The Chairperson:** Finally, Roisín, Creative Scotland has been brought to our attention, and it is something that we obviously want to explore in more detail. However, it is part of a merger of the national arts and screen organisations. What is your view on that? How could it work in Northern Ireland?
1622. **Ms McDonough:** We are open to it. That is the first thing. We followed closely the creation of Creative Scotland, because our counterpart was the Scottish Arts Council, which was quite a large organisation; Scottish Screen was a bit smaller. We followed the politics of it all through the debates in the Scottish Parliament on the issues and all its vicissitudes over about six years. We also followed the institutional realisation of that ambition when it came to the merger. We continue to speak to our counterparts in Creative Scotland, because, as you know, with our creative industries innovation fund we have a bit of a hybrid model, but it is nothing too distant from what Creative Scotland is about.
1623. It is too early to say how it is settling in, but it has got over the initial hurdles. People are seeing the value and benefit to them of having a co-ordinated mechanism through which they can do their work as an artist or an arts organisation and have a single point of contact if they want to turn that into business and grow accordingly and collaborate. So, it has the added advantage of having created a single point of contact and a single brand. It has a coherent strategy, is backed by the Scottish Parliament and is the lead body. So, well done. Work that was in progress has been realised, and Creative Scotland is looking at the feedback from its users. It was a bold and courageous decision, and it is one that we would be more than happy to consider and be part of.
1624. **The Chairperson:** Thank you very much for your time and your very detailed response, which was very welcome to the Committee. We will see you soon.
1625. **Ms McDonough:** No doubt you will. Thank you very much.

17 May 2012

Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
 Mr Dominic Bradley
 Mr David Hilditch
 Mrs Karen McKeivitt
 Mr Cathal Ó hOisín

Witnesses:

Mr John Anderson	<i>CementWorks Film Facilities</i>
Mr John Edmund	<i>Consultant</i>

1626. **The Chairperson:** We will now hear evidence from Mr John Anderson, who is a partner in CementWorks Film Facilities, and Mr John Edmund, who is a consultant. Gentlemen, you are both very welcome to the Committee. Thank you for your submission and for attending our stakeholder event and coming here today. Please make an opening statement, and members will follow up with some questions.
1627. **Mr John Anderson (CementWorks Film Facilities):** I will lead off and John will follow, or we will split it into two halves, whatever is handiest. Thank you, Chair and members, for the opportunity to present. Before I make my points, I will run through my background. I am engineer. I trained originally in the racing car industry, and, since 1976, I have been running my own business. I have served as an independent local councillor, and I have been and still am a member of a number of committees and bodies that deal with built heritage and the environment. I include that as an indication of my familiarity with the decision-making processes in local and central government. I have been involved with the film industry, on and off, since 1990. During that time, I have had the opportunity to observe at close quarters the many disciplines working in the industry in Northern Ireland, the Republic and across the water on both

successful and disastrous productions, such is the nature of the industry.

1628. Since 2004, I have been bringing film productions to the 400-acre site of the former Magheramorne cement works outside Larne. This site has had planning permission for a film studio since 2009. Following meetings with Ministers at the start of 2011, I have been liaising with Planning Service on the matter of developing a process whereby temporary planning approvals for exterior film sets may be integrated into the existing planning regulations. Over the years, I have observed, on set and in construction lots, probably a collective 250,000 man-and-woman-hours of film industry work across the various trades and professions.
1629. The Committee will be well aware of the potential for the Northern Ireland industry in a world where the market for film and television productions is increasing incrementally as more and more of the global population can access the means to view and have time available for viewing. As with all industries in a global marketplace, the key to continued success is to achieve and maintain a competitive edge. In Northern Ireland, a technical skill set and expertise has been built up since the early 1990s. There are obvious and varied physical attributes of our landscape and location opportunities allied to a benign system of grant support and UK tax breaks. Individuals and organisations have had continuing success, and they encourage productions to use Northern Ireland. All of those factors have been instrumental in building an international reputation that we must sustain and grow.
1630. Herein lies my area of concern. We have now been successful in attracting world-class, large-scale productions but have been behind the curve in providing a studio base and backlot. I am sorry to

- explain if you already understand, but a backlot is the land around a studio for all of the external works, outside sets and parking facilities. The film industry is a very untidy industry. It expands to fill every space. The Paint Hall, as it exists, has eight acres, and, in Magheramorne, we have 400 acres, so that speaks for itself.
1631. We have been successful in attracting world-class, large-scale productions. However, we have been behind the curve in providing a studio base and backlot that is capable of housing two or more big productions simultaneously — that is key — with the aim of facilitating the maximum amount of work that can be efficiently undertaken on a single site, and thus allowing us to deliver significantly reduced production overheads and maintain the competitive edge for Northern Ireland. Carefully considered decisions that should have been made several years ago in anticipation of incoming work were not made, and a number of ad hoc actions were taken, partly due to an immediate need to do something rather than lose work. There does not appear to have been transparency or a broad discussion even on those ad hoc actions, and the effect appears to have been the adoption of the perceived wisdom of, “This sort of half works, so it will do rightly for now as it is”. Unfortunately, it is my belief that it will not do and that, by default, we are creating a studio base with no useable backlot and no possibility of delivering such in a busy and very noisy, urban, industrial, airport setting. For some entirely shed-based productions, that may be OK, but to intentionally engineer a situation in which cast, crew and facilities must career hither and thither unnecessarily is folly, with the result that the essential competitive edge will be lost and the perception of a world-class production facility is just an illusion.
1632. Surprisingly, that is not to say that there has not been consideration of the options, and a number of consultations on that subject, some quite recent, have been undertaken by the relevant agencies. Unfortunately, those remained either incomplete or unavailable to industry professionals, this Committee and your colleagues in other Committees with an input into policy on the Northern Ireland film industry.
1633. In conclusion, I sincerely hope that this Committee and others will consider the options for studio provision urgently, if belatedly. The Administration have a duty to the seasoned professionals who built the industry and to the young hopefuls making a career, to ensure that this highly valuable activity does not wither on the vine due to fundamental mistakes in infrastructure choice being accepted as the best we can achieve. Thank you, I will take questions when appropriate.
1634. **The Chairperson:** John, would you like to comment.
1635. **Mr John Edmund (Consultant):** Madame Chair, I am here to talk about music. Committee members might like to question Mr Anderson first.
1636. **The Chairperson:** No, I think that we will take both presentations and then ask collective questions.
1637. **Mr Edmund:** That is very kind. As I said, my interest is in the development of a sustainable music industry in Northern Ireland. Whether good or bad, I have, as they say, been here before and have spoken to the Committee previously as the chairman of the former Northern Ireland Music Industry Commission. Some of the things that I will talk about were current then and, alas, are current now.
1638. As I prepared for today’s evidence session, I noticed that you have received a submission from the Oh Yeah music centre. That is a valuable organisation, which is doing exceptionally good work. I commend the centre for that work now as I did in the past, and I thank you for your interest in this activity and the Oh Yeah music centre among other opportunities.
1639. To take John’s lead and to provide you with some sort of measure of whatever little personal credibility

- I have, I will say that I have been involved in the planning side of the creative industries in Northern Ireland since the mid-1990s, which shows my age. At that point, I developed the first case for a screen commission, recommended the restructuring of the former Northern Ireland Film Council and went on to develop the business case that secured the initial £1 million-plus that enabled the establishment of what is now Northern Ireland Screen. At the behest of the Department of Education, I briefed the Members of the first Northern Ireland Assembly on the creative industries, and, in a professional capacity, I followed up my work in film by looking at the feasibility of creating a parallel organisation for music. Alas, that was not an easy task. Disagreement permeated the sector, and, to a large extent, it still does. Perhaps that is why I am here as the ex-chair of the Northern Ireland Music Industry Commission.
1640. Getting from that first feasibility study for music in 1998 to start-up took a couple of years. In effect, it took until 2001 before there was a fully functioning music sector lead body. 2001 was really quite an effective first year, but, music being what it is, it had fallen apart by 2003. There was so much dissent in the ranks that the folk who then ran it could not make it work, and I got dragged back in. I should have kicked and screamed and avoided it, but I did not.
1641. In the period from 2003 to 2009, we really turned it around. A new team with a new strategy managed to overturn all the negative perspectives on the organisation that had been fostered by the disgruntled few, proving that the organisation was capable of delivering added value for the financial support that was made available from the public sector. The Northern Ireland Music Industry Commission (NIMIC) was able to deliver some quick wins, not least the adoption by the UK Music Sector Forum of the NIMIC strategy as the benchmark for regional music strategies. For five years, we steadily built credibility across the sector with funders, delivering structured support to intellectual property (IP) creators and music businesses with the intention of creating a private sector music infrastructure that could take creative product to market from a base in Northern Ireland and stop the drain of talent to London.
1642. I could spend the next 10 minutes talking about the individual successes that that period has to celebrate. In truth, that is not what you want to hear and not why I am here. NIMIC ceased to exist in October 2009. It was forced to close by a faction within the music industry that was interested only in what it could get for itself and in stopping others going forward if it was not in charge. However, that is history. It is also not the issue. The issue is what happened next, or rather what did not happen next.
1643. The process of winding up NIMIC took time, and there were many conversations with Invest NI, the Arts Council and the Department. Despite consistent reassurances to the contrary, not one of those organisations was capable of dealing with the issue in a strategic way. Platitudes and reassurances? Absolutely. Action? No, I do not think so. However, it was not that there was no action. Invest NI found some money to fund a one-year programme, FastForward, to keep some of the momentum up. However, the funding for FastForward was less than two thirds of that which NIMIC had secured the previous year. It took Invest NI until mid-2010 to put FastForward in place, but at least it was something, and there was the assurance of a new industry strategy development project as the precursor to a developed support structure. Remember that we at NIMIC committed hara-kiri in September 2009. It was autumn 2010 before Invest NI actually got around to putting out to tender the brief to establish the new industry support structure, or, at least, to define what the strategy should be. In Autumn 2010 it rolled out a brief that said that a project initiation document was to be prepared to detail the way in which the work programme would be

staffed and conducted to meet the requirements of the scope of the investigation, the outputs and reporting procedures, and the timing of the work programme, because:

“a draft report will be required week commencing 21st February 2011. A final report ... will be required week commencing 28th March 2011”.

1644. Good. At last. Obviously, we thought that the intention was to get a new sector lead organisation for music in place for the new financial year. We were wrong. The report was eventually published in September 2011. What happened between February and September to delay it? I do not know. It was ratified in a press release by both Ministers in November, at just about the time that MTV was here and after Invest NI had indicated it was handing back £15 million or £17 million. That is just how it was. At least, in November, there was the instated intention to have a lead body up and running in early 2012. It is now May 2012, and there is still no sign of it. An equality impact study has been carried out and a contract to carry out an economic impact review was commissioned in December 2011. There is still no sign of the follow-up to that.

1645. Honestly, the reality is that the music industry cannot work to Invest NI's timetable. Do you think it good enough that, between October 2009 and May 2012, the sector has been left to fend for itself? Music made a contribution of £3.9 billion to the UK economy in 2009. Of that, £2.9 billion was contributed by sales of recorded music. In 2010, that contribution had increased to £5 billion. According to research that I commissioned from Queen's business school in 2008, the music industry in Northern Ireland employed around 4,400 people, generated £500 million in turnover and delivered gross added value of £168 million to the Northern Ireland economy in 2008.

1646. The commissioned study that Invest NI paid for determined that the figure was £70 million with a further £8 million generated through music-related

tourism. I do not know where the difference comes from considering that the only figures they had to work from were the same ones that Queen's had, but there you are.

1647. There is an awful lot more that I could say about the recommendation for sectoral leadership arising from the new strategy, and there is even more I could say about the way that funding from the creative industries innovation fund (CIIF) has been handled and applied, but I want to get this one, simple message over: if the Northern Ireland music sector is to develop into a sustainable industry, it must have a sustainable infrastructure, and it has to work to the timetables that the industry demands today. The pace of development over the past three years has been stifled by the inability of the public sector to move at the pace of the industry. This has to change. Thank you.

1648. **The Chairperson:** Thank you very much. You have both highlighted challenges in respect of disciplines within creative industries. Obviously there are issues around the film industry and the very factional nature of the music industry. This Committee is looking at broader solutions to some of the issues and we are investigating a model based around the Creative Scotland model. That has been raised quite frequently throughout many of the presentations that we have had. Do you think a single oversight body such as there is in Scotland might address some of the problems that you are experiencing? We are also aware of the fact that “creative industries” is a very broad term; it covers many disciplines, and that is also reflected in the governance and through the many Departments that have a responsibility for the creative industries.

1649. **Mr Edmund:** When I first got involved in the sector it was called the cultural industries and there were only six. By the time the Department for Culture, Media and Sport got involved in 1998, there were 17 creative industries. Many of those creative industries — architecture, advertising, graphics and so on — are represented in different

- ways. They can obviously speak for themselves. The cultural industries have never found the same voice despite the fact that, in truth, that is what it is about, and I think that is part of the difficulty.
1650. If we were to go with the Scottish solution, to my mind, we would need to restructure the entire support network. That would have to start with the Arts Council. Creative Scotland functions to cover all the activities from arts development downwards. There has been the creation of all the national companies, and I have had some involvement with Scottish Opera in some of the things that I have done. I think the first question to ask is this: are you prepared to go that far? It was talked about. A previous Minister specifically announced at one stage that he was minded to follow the Scottish model and restructure the Arts Council accordingly, but for whatever reason, that never happened. It certainly has potential.
1651. Having one sole body that would be able to do more than set a broad strategy and ensure that there is adequate funding would be very difficult to manage at the sectoral-lead level. Having had this debate with the Department of Culture, Arts and Leisure in the past about the role of the Arts Council, the answer I always got back was that there has to be a separation between the policymaker and the deliverer of support, and the Arts Council was that separation. If you go with the Creative Scotland model, you would end up with the same need. You still need somebody out there able to provide the separation, and Creative Scotland does not necessarily always do that.
1652. **The Chairperson:** More immediately, then, for the music industry, is there an organisation that could take the lead on what you feel the industry needs?
1653. **Mr Edmund:** There was a point in time when Northern Ireland Screen was a good model. I am not particularly sure that it is a good model anymore. It seems to me, although I am trying to read between the lines with my eyes closed, that if you look at the timetable that was set by Invest NI for the production of the Northern Ireland music industry strategy — the Arts Council commissioned a separate music strategy — and the date when the report was eventually published, you have to wonder why it took so long. There were delays in the system, and the consultants were doing some of the work that was mandated by the terms of reference after they were supposed to have delivered the final document. However, when you look at the final document, you should consider the argument that was had after Invest NI produced its findings and before it had written its document, which took the idea to create an economic development organisation and turn it into a NI Screen equivalent and create the intent to commission a contractor to deliver services.
1654. Here is the difference: a contractor delivers services to somebody else's strategy and is not there to build consensus or to develop collaboration. Music, as an industry, does not exist in a vacuum. A very big chunk of all recorded music, from a commercial perspective, gets paid for by the film industry, but little or no connection has been made between film and music in Northern Ireland. Yes, there were attempts to do it, and there was one specific joint project that NIMIC paid for that Northern Ireland Screen was part of, but nobody from Northern Ireland Screen, including from the sector, bothered to get involved.
1655. **The Chairperson:** Why are there two music strategies? Are they complementary?
1656. **Mr Edmund:** I cannot answer that for you, I am afraid. There is a music industry strategy that Invest NI paid for, and there is a music strategy that the Arts Council paid for. The first element of that music strategy was specifically to look at the future of the Ulster Orchestra. To my mind, the Ulster Orchestra is just part of the music industry, but they chose to do it in a different way. The rest of the music strategy, as opposed to the music industry strategy, looked at

- everything else right down through to community music and, presumably, covered everything including marching bands, traditional music and all the other things that you would expect it to. I have only read bits of the final report, but they were looking at it from a different perspective. To my mind, there is no different perspective. There are different reasons why individuals get involved in the industry or in music. Some want to enjoy it, some want to earn from it, and some organisations want to become part of the structure but recognise that they will never be musicians. That is the answer.
1657. From a commercial development perspective, we need to build music intellectual property (IP) and the capability to deliver that. I know that Oh Yeah talked to you about how the BRIT School and the Paul McCartney institute in Liverpool developed at a particular point, and the Nerve Centre in the north-west and Oh Yeah, if you bring them both together, have been very good at starting to move on that. However, we need to go to the next stage, which is the BRIT School equivalent. If you go beyond that, NIMIC was, with the IP creator, trying to help those individuals become better IP creators and to help them to commercialise their IP. Part of the commercialisation of the IP has to be the development of the business side. Many creators do not want to do the business thing. You have to build music businesses — publishing companies, record labels, artists, managers and the basic infrastructure providers — together so that they can be IP creators and be the small businesses that they effectively are by producing their IP. You then have to take both of those bits to the international marketplace; those are the three elements. There is the NIMIC strategy, the generator who is cited in the Invest NI report as the one that we should aim at and the generator in the north-east of England that works to a similar strategy to that developed by NIMIC and adopted by everybody else. We need to put those three things in place. Those who commissioned the report should really answer your question on whether that needs a music strategy for music or one for the music industry. Personally, I do not think that it does.
1658. **The Chairperson:** John, in your written submission and in your comments today, you have criticised the planning that has gone in to the development of the Paint Hall and so on, and you have referred to it as “ad hoc actions”. However, the Paint Hall has been quite lucrative for Northern Ireland and has placed us on the map with big screen productions such as ‘Game of Thrones’. Obviously, there have also been benefits in relation to skills development and so on. Might there be criticism laid at you for coming here, because, obviously, you are promoting a site in which you have an interest?
1659. **Mr J Anderson:** I am and I am not. First, you would think that John and I were in cahoots.
1660. **The Chairperson:** I was trying to be very careful in how I said that.
1661. **Mr J Anderson:** No, it is fine. I am very thick-skinned and am well known as a heretic. You would think that we were in cahoots, but we are not. We did not discuss this, but I find that we are saying almost the same thing. I have been deeply involved with the Magheramorne site. I do not own the site, but I do derive a certain amount of income from it when there is filming on it. I am in a position where I can do work on that site, film planning and so on, because I want to do it; I do not do it for any monetary reward. I have no axe to grind and have no wish to own a studio. I do it because I have observed the industry for 20 years and have seen how it operates across the water.
1662. Funnily enough, John gave me a clip from the ‘Financial Times’ this morning in which there was an illustration of what Pinewood intends to do. I do not want to harp on about the Magheramorne site, because I am not here to promote it; I am here to promote sensible discussion on the options. I can promote the Magheramorne site, but that is for

- another day. I do, however, need to mention the 'Financial Times' clip. What Pinewood is hoping to do is exactly what we already have planning permission for at Magheramorne. Pinewood has been in business and has made mistakes for long enough, but it knows the way the UK industry should be going. We should be a component of the UK and Irish industry, and to do that, we should not be cutting off our nose for unknown reasons. The music industry is a step ahead of us, in that various reports have eventually come into the public domain. Over the past seven or eight years, none of the reports on film industry infrastructure has ever hit anybody's desk. They should have come before this Committee and the Enterprise, Trade and Investment Committee.
1663. The ad hoc decisions were correct, but they were correct to create short-term profit, to build on those short-term decisions, just because they are there, and actually to create something that is not competitive. The film industry is perceived to be glamorous but, like a lot of industries that are perceived to be glamorous, the reality is that it is not. It is hard work and involves long hours. When you see an actor in his pyjamas standing in a puddle at midnight on a November night, you realise that there is nothing glamorous about it; it is hard work.
1664. The Paint Hall is being promoted as a tourist attraction. It is not a tourist attraction; it is a Northern Ireland workplace. The last thing you want is tourists. At some time in the distant future, it could be a tourist attraction, if you were able to get a Harry Potter equivalent and if you had enough space for the set to remain there for a while so that you could bring people in to look at it. However, now it is a workplace. It has to be efficient and competitive. People in the industry have said to me that this is a bubble and that they will milk it while it is here. That is totally the wrong attitude. Some of those people are seasoned professionals. There has been a pattern of boom and bust in the UK industry. However, the world market is different now. Entertainment via media productions is growing and will continue to do so because of the amount of people with leisure time, be they affluent or unemployed. The industry is like shoes and coffins: it will always be there, and there will always be a demand for it.
1665. **Mr Ó hOisín:** Thank you for your presentation. I declare an interest in the film industry, in particular, due to my involvement in the Irish language broadcasting fund and some projects that I have been working on. I think I have met you through that, John.
1666. **Mr J Anderson:** It is quite possible.
1667. **Mr Ó hOisín:** If my colleague Oliver McMullan were here, he would probably express an interest in the Magheramorne site, not least because it is in his constituency.
1668. **Mr J Anderson:** And because I was talking to him today.
1669. **Mr Ó hOisín:** He told me that. You have touched on the question that I want to ask, John, as have we, in this inquiry. It is a fundamentally honest question. Does the critical mass exist here to justify the governance and infrastructure required in what you are outlining? Or, should we be looking at alternatives to that, be that on an-island, all-islands or even European basis? In my limited knowledge, the industry has fundamentally changed in recent times. We have seen an example of that in the recent ITV production of 'Titanic', which went to Hungary, I believe. I think that what has gone before, not only in the film industry, but in television production, is not what we should be looking at now. I do not know how far you would agree with that. Are we looking at alternatives?
1670. **Mr J Anderson:** You have two separate streams, in a way. On the one hand, you can have somebody who wishes to set up, as a commercial venture, a studio like the studio in Banbridge, which is a very good small facility, but which is not suitable for a hub. The people who saw the market for that — given the fact that we are fractionalised and do not have a

proper hub — and who embarked on it as a commercial venture deserve credit for that.

1671. You have that same thing in an all-Ireland context. You have different commercial ventures that will do whatever in whatever place. They look at their feasibility studies and see whether the project is viable, and they can go ahead as a commercial company. They may wish to get grants, in which case they apply and get a grant or do not get a grant. It is difficult to regard it as an Irish industry or as a Northern Ireland industry. However, because it is such a big income generator and because there are so many spin-offs and because the multiplier on what one might have to supply in the way of grant aid in relation to what it produces is so good, there needs to be some sort of a central strategy. I do not know why Northern Ireland Screen or Invest NI or whoever has not been able to produce that, despite making all those reports that have never come to light. There is no transparency in that. They were commissioned at public expense to do a particular job, which was to look at the infrastructure options, but their reports never appeared. That does not make sense.
1672. The industry is sufficiently important that there must be a central strategy. Given the relative speed with which these decisions need to be made, they should be made in this Building, and they should be made as a result of you listening to all the lobbies. I can come and lobby for Magheramorne on another day, and I am quite happy to do that, but what I am lobbying for today is consideration of what we are doing, before we go down a road that we cannot reverse out of. At the moment, that consideration appears to be completely non-transparent, and I imagine that you have not had this over your desks and that the Committee for Enterprise, Trade and Investment could say the same. I do not think that that is acceptable.
1673. **Mr Ó hOisín:** I do not disagree with your contention that decision-making should be made here. I have no issue with that.

I am saying that the delivery on the ground, particularly in the film industry, is haphazard and ad hoc on occasions. That is how it seems from an outsiders' view, and from an insiders' view. It is all of those things that are wrong. There is nothing structured to it. I wonder how best we can affect that, for want of a better work.

1674. **Mr J Anderson:** The first thing to do is to access the various reports. Some of them will be out of date, but even seeing the sequencing and how the issue has developed would be interesting.
1675. **The Chairperson:** No one else has indicated that they wish to ask a question. I thank you for coming here today and sharing your concerns with us. You raised issues today that the Committee will follow up on.
1676. **Mr J Anderson:** Thank you very much.

24 May 2012

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 Oliver McMullan
 Mr Pat Sheehan
 Mr Robin Swann

Witnesses:

Mr Damian Duffy	<i>Belfast</i>
Mr Justin Edwards	<i>Metropolitan</i>
Ms Gillian Magee	<i>College</i>

1677. **The Chairperson:** We are going to receive evidence from Belfast Metropolitan College. I welcome Mr Damian Duffy, who is the director of development and learner services, Ms Gillian Magee, who is head of corporate development, and Mr Justin Edwards, who is the director of curriculum and assistant chief executive officer.
1678. First, I thank you very much for hosting us today. It really is a pleasure to have been given a sneak preview before your official opening. It was a wonderful tour, and certainly very relevant to what we are looking at in our inquiry. I invite you to make some opening remarks, after which members will want to follow up with some questions.
1679. **Mr Justin Edwards (Belfast Metropolitan College):** Thank you very much, Chair. I am delighted that the Committee was able to join us at our E3 building. Thank you all very much for attending and taking the opportunity to see the facilities that we are about to open. We are very proud of this new facility, which, in conjunction with our facility at Titanic Quarter, is demonstrating how further education is evolving and continuing to evolve in its relationship with industry and in its development of the curriculum, teaching and learning for all ages, levels and abilities.
1680. I will take a moment to outline some of the concepts, particularly around this building, because they may be relevant to your line of inquiry. The E3 building on the Springvale campus was not developed around a concept of a specific curriculum, although there are some specific curriculum elements in it; it was developed around the concept of reintegrating creativity and innovation — I put those two items together — into all forms of curriculum. You had the opportunity to see the open-plan area, which is capable of holding over 200 people and can bring teams of students together from a variety of disciplines and backgrounds to think creatively and innovatively about industry-based projects.
1681. The idea is to bring in live industry projects and bring industry close to what we are trying to do in education and training, giving the students the experience of what industry is looking at, but, again, taking a step back from the skills that the curriculum requires and allowing learners to think laterally and creatively and come up with solutions. That is the theme behind this building. To date, we have been able to pilot that project with great success. We have been able to share that success with certain industries, particularly the IT and media industries, but it goes much further and much wider than that into engineering, manufacturing and construction. Again, you have had the opportunity to see what we are doing there today.
1682. This Committee has heard from members of the IT industry, and I note that they made reference to Belfast Met and the work that we are trying to do, particularly around gaming with our Codea Dojo. Our Codea Dojo is established. It encourages young people to engage in games design and computer engineering in a creative way. There is also our new open source games design and interactive media

curriculum, which will happen on this campus, and our foundation degree and incubation centres, which will be based here at E3. It is a very exciting time for the college. We are creating great opportunities and new ways of thinking about how to instil more creativity into that range of subject areas and bring out the creative industries.

1683. Ms Gillian Magee (Belfast Metropolitan College):

Thank you for coming today. I echo Justin's comments; you are very welcome, and we hope that this will be the first of many visits. I am going to take a minute or two to go through some of the detail of our submission. One of the joys of being last up is the fact that you get to read through all of the Hansard reports. It has been interesting for us to do that. It is very clear that themes are emerging, and they echo the comments that we put into our original submission. Your own report shows that the creative industries and the sector as a whole contributed just 2% of our gross value added (GVA). That compares with almost three times of that in the UK and double in the Republic of Ireland. According to your report, jobs created in the sector over the past decade grew by about a quarter, compared with the entirety of Northern Ireland creating around 10% additional jobs.

1684. We welcome the inquiry, because it has recognised and acknowledged the fact that the sector is largely untapped. We were very keen to come at it from two areas, first to consider the opportunities and the benefits that we as the FE sector might bring, but also to shine a light on where we perceive some of the barriers to be. In pulling together our submission, we considered a myriad of research from Belfast City Council, the Department of Culture, Arts and Leisure (DCAL) and the Sector Skills Council. That research is out there, and everyone has access to it.

1685. We have grouped the barriers to growth under three basic headings. Business acumen and the composition of the sector require consideration. With the exception of the ICT and digital arms, the majority of creative businesses are

microbusinesses. Traditionally, and still today, those businesses have lacked the skills to take their product to market. I come from a tourism background. One thing that we constantly found in tourism was that, traditionally, it was very difficult to put something in front of the visitor to buy. We call on the Committee to consider that in its inquiry.

1686. The second area is around investment in people. As I said, traditionally, a lot of microbusinesses in the sector have neither the funds nor the time to undertake self-development or employee development. That is something that needs to be looked at. One area that Justin has touched on and, I am sure, the Committee will want to explore in a little bit of detail later, is skills and qualifications. Practitioners are asking for closer working relationships with the colleges and the universities to bridge a gap in terms of what they perceive to be a fit-for-purpose curriculum and to ensure that the end product — the graduates and the learners who we produce at the other end — are fit to go in and able to deliver.

1687. One message that I would like to leave with the Committee is that the Department for Employment and Learning (DEL) has empowered us to create and to work within a flexible framework. We can work very quickly and respond in a very flexible way to industry needs, and we do so regularly. I am sure Justin can talk a little about that later.

1688. Justin has talked about the fact that we are working very closely with the likes of Digital Circle. We are working with them on 30-week ICT conversion courses, for which graduates come to us. They come to us with a background that is not a natural pathway into employment. We are working to convert that and to fill that skills gap. The economic strategy estimates that there will be 8,000 jobs in ICT over the next 10 years, and we are working proactively with the industry out there to fill that gap. Thank you for the opportunity to give a top line of our submission.

1689. **Mr Edwards:** At this point, I am willing to take questions on particular topics or on items that you have seen during your visit.
1690. **The Chairperson:** OK. Thank you. You have certainly identified some of the barriers and themes that we have come across, particularly around the fact that there are individuals in the creative industries who are very creative but lack the business acumen to get their product to market. I was really interested to see your incubation units on the site. Perhaps you could develop that.
1691. **Mr Damian Duffy (Belfast Metropolitan College):** It was interesting to look through the evidence from some of your previous discussions. I think that it was Belfast City Council that highlighted the difficulties in securing the right type of business incubation facilities. We are perfectly placed to support the creative industries and companies on the digital side of the agenda. You can segment the creative industries as a sector in a number of ways: you are looking digital media; broadcast; multimedia platforms; and, as Justin alluded to earlier, the ICT skills that go around that in the new area of app development. We in the E3 facility and the college are very well placed to provide facilities, access to equipment and technical support. We have already made that investment.
1692. What we would like to do — this is where we are trying to work closely with a number of Departments — is to put in place a number of programmes to bring people into the system or to allow them to access the facilities. A proposal for a £300,000 creative industries programme is going through an assessment process with DEL at the moment. That is essentially geared towards working with particular businesses, through a mentoring process, to give them access to the incubation facilities and our equipment. It would fit in very well with the approach to bringing people through the ideas-generation process to business planning stage.
1693. We have had connections and discussions with DCAL about some initiatives through the creative industries fund. We hope to hold a creativity and innovation week in September. As a college, we bring a number of things to the table for technology, arts, fashion and the performing arts. We have a range of products and capability that we would like to showcase during that week. As Justin said, when we use the word “creativity”, we almost immediately join it with the word “innovation”. This is a very innovative facility. The business incubation facilities that we have to offer are just one part of the jigsaw.
1694. **The Chairperson:** Your paper mentions that the creative sector does not feature sufficiently in the pre-16 curriculum. I just wonder what work you are doing with local schools in learning communities. What discussions have you had with the Council for the Curriculum, Examinations and Assessment (CCEA) about the delivery of the creative sector in the curriculum?
1695. **Mr Edwards:** Through our schools partnership programme, we already work with a range of schools in the region. What we are trying to do is to bring creativity through vocational qualifications rather than just the standalone qualifications. I will deal with those separately in a second.
1696. The Fresh programme, which I alluded to earlier, involves project-based learning for HE students. We are already modeling that so that we can operate it with the schools sector. Can we bring school students into this facility to give them — albeit a shortened version of the programme — experience of project-based output and creative and innovative thinking around the particular skills and talent that they have? We will model that up in the hope that it will be available to schools for the next academic year. We will then have to work with schools on how they would integrate students into their main site programmes.
1697. **The Chairperson:** How many schools do you work with?

1698. **Mr Edwards:** We currently work with 24 schools across the greater Belfast area, and one or two outside that area that interact with us. I think that the challenge is to try to change views about vocational education — that still remains — and to bring in those with high and low academic achievement who might have a skill, talent or creative ability in a particular vocational area. We want to explore that with students and build it up. On the vocational qualification side, I believe that the qualifications and credit framework is a fit-for-purpose tool, and if there is a space that we have identified, we can develop qualifications to fit that space. That also goes for the creative service sector. We can adapt very quickly. I think that the best example that we have at the moment — it is not in the creative industries, but it shows how qualification development can work — is our work with the wind energy sector. We have worked with sector skills councils and awarding bodies and developed a completely new qualification for wind farm maintenance. If we can do that with wind farm maintenance, there is certainly no reason why we cannot develop new forms of qualification in, say, the digital media industry. We managed to bring the Codea Dojo on board and it is up and running, and through my work with our qualification team I have tried to understand what qualification will lead directly on beyond that. We will have that in place and are working with the likes of e-Skills to find those opportunities.
1699. The tools are there, but it about making the best use of the qualification framework and the tools. As you are aware, CCEA is not currently the regulator of vocational qualifications or non-vocational qualifications, and there is a definition gap between those two areas and an awarding body. However, there are 127 other awarding bodies operating in Northern Ireland, particularly in creative areas.
1700. About a quarter of our provision is in a range of vocational subjects that are creatively relevant. We have courses in fashion, music, digital media, design, graphics and ICT. We are really touching the bases of all the digital sectors that the Committee refers to, from level 2 all the way through to our BSc in fashion management.
1701. **Mr D Bradley:** Thank you very much for the tour; it was very interesting and stimulating. I think it was Justin who mentioned the use of open source software. What are the advantages and the possibilities of that?
1702. **Mr Edwards:** The IT market is changing radically. From talking to the IT industry as we do, we know that the idea of proprietary applications on the desktop is changing to a world in which all applications are through the web, with the advent of things like Google Chrome. However, the idea of open source software means that we could lead the way. It means that students can access the software without a significant outlay, and, through the various licensing arrangements, such as Creative Commons, they can protect their intellectual property while building a name for themselves for what they can develop and experience that in the ICT space. By having an open source dedicated course — we are not ignoring our proprietary partners; we have good relationships with Apple, Microsoft etc — we will open up thinking about what is happening in that software development market and how to reach out to students in that space at a very early stage.
1703. Picking up on Damian's earlier point, we are already running short courses on mobile app development, which is a big need for the industry. The college has a licence to download a lot of the software that can be used to develop mobile apps, particularly proprietary applications such as those used by Apple, and use it in our facilities for production and education purposes. It has huge potential that we are only just starting to tap into.
1704. **Mr D Bradley:** During the tour, you showed us your large collaborative space and said that you are adopting

a collaborative approach to problem-solving, product development and so forth. You also mentioned that you had to retrain the lecturers. What sort of new training did you have to give them to equip them to deal with that new approach?

1705. **Mr Edwards:** The lecturers had the skills to cope with the new approach. What we had to do was to reinvigorate those skills — I think that that is the best way to put it. Historically, a lot of focus has been on teaching units or qualifications in a specific area. Introducing the idea of going beyond the teaching of the skills and looking at the creative application of those skills means asking a computing lecturer to work with a business lecturer and a lecturer in engineering and manufacturing to see where the synergies are between the different vocational areas. Suddenly, we are going outside the box of the qualification and assessment output that is associated with the curriculum through to cross-working and, although subtle, that was an uncomfortable transition. The students led the pace, and we gave the lecturers a two-day training session. We took them through the exercise and made them think creatively about a problem. We then brought their students in on a one-week exercise, and we sat with the lecturers every evening and talked through the challenges of facilitating rather than lecturing. There is still a need for lecturing and skills development, but we asked them to facilitate the group of learners and let the learners bring their understanding of new technology. Surprisingly, the learners in all vocational areas were adapting social media and how they were going to use social media to enhance the products, and students in business areas, engineering areas and areas that are not normally associated with the development of social media were talking about how social media would help their business idea go global or reach outside. The lecturers were challenged, perhaps by the digital divide, in keeping pace with some of the things that the 17-, 18- and 19-year-olds were discussing. We are working with our
- lecturers on that basis. Over that period of time, they responded very well, and they are now keen to run the pilot again and talk to their colleagues. However, it is about transforming the teachers in the environment, not just about the equipment in the building around you.
1706. **Mr D Bradley:** How does that approach impact on traditional assessment techniques?
1707. **Mr Edwards:** That was a challenge in itself in that we had to spend a considerable amount of time working out the objectives of the assessments and the curriculum, whether we were meeting them through the project-based learning and whether the projects were efficient enough to make sure that the output met the assessments. It takes time, knowledge and expertise on the curriculum side to work it through, and, if you do work it through, you get results.
1708. **Mr D Bradley:** Were there any difficulties with the students adopting that approach, especially if they were coming from more traditional learning settings, say?
1709. **Mr Edwards:** Some groups of students took to it better than others, and it was interesting to watch the group dynamics among the students about perceptions of what they were getting engaged with. The learners had to be reassured that their learning outcomes would be achieved through the exercise, and we had to do that exercise with them as well. One interesting issue was that most of the students did not see the project before they entered that space. However, one group of students saw the project in advance and, rather than think creatively, had made preconceptions about what they needed to do to achieve the learning outcomes. They were probably the most challenging group in terms of keeping them engaged in that activity. We have just completed and are finalising an evaluative report of that complete exercise, and, once that is available, we will publish it publicly.
1710. **Mr Irwin:** Thank you very much for the tour; it is a very impressive building. Your response refers to research that

demonstrates that creative industries improve the economic performance of cities. In your view, what can the creative industries do to improve economic performance in more rural areas? You say that Belfast Metropolitan College operates a course that serves the whole city. I am quite sure that you have students from the outside the city. The paper plays a lot on the city, but a lot of Northern Ireland is rural, and I surmise that students from all over Northern Ireland come here.

1711. **Mr Duffy:** There are opportunities in the education sector, full stop, to look at the way in which we deliver learning, and we, as a college, have already started a process to invest in blended learning or technology-assisted learning approaches. That is a move away from the traditional chalk-and-talk approach but, in doing that, the application of technology opens up the opportunity for people from rural communities to engage in a different way. We are, hopefully, about to finalise an INTERREG-funded project that looks at a partnership between us, IT Sligo and the University of the Highlands and Islands in Scotland to set up a virtual enterprise platform. The platform will essentially be a host for a range of toolkits around starting your business, innovation in your business and rural business tourism, bringing together best practice from across the three regions. However, part of the challenge is to use the technology to enable and to look at different ways of allowing people to access content. We have talked about this at a strategic level across the sector and with the Department, and I think that there are business and development opportunities if we can reconfigure the way in which we deliver and look at the digital potential of that.
1712. We got involved in a conversation with Belfast City Council, which has secured some national funds of, I think, up to £16 million, from a national broadband initiative. The reality is that we have got 100% broadband coverage, and pretty good broadband coverage, so the conversation that we are having with

Belfast City Council is about beginning to look at content. Now, the sector that we are interested in is education and training, so we are asking what education and training providers, including private-sector training providers, could do if they were given some support to develop content. That really does throw it open. In the future global aspects of creative industries, things are becoming more and more mobile and accessible. We need to have the infrastructure, facilities and skills to put the materials that we develop into a digital format to get out to the globe.

1713. **Mr Edwards:** Our reach as Belfast Met goes outside the city. About 34% of our higher education students come from the greater Belfast area, and reach much further right the way across Northern Ireland.
1714. **Mr Irwin:** I presumed that; it was just the way the document read.
1715. **The Chairperson:** What was the rationale for the decision to locate this facility on this site?
1716. **Mr Duffy:** It dates back 15 years. There was originally a plan for the Springvale campus, if you remember, which was a university campus located right on the peace line. About two or three years into the project, after the first sod was cut, the University of Ulster decided that it wanted to do something different. Belfast Institute of Further and Higher Education, at that stage, was left in the position that we wanted to continue to do something on the site, so the first part of the development on the Springvale campus was the community learning centre, which is located adjacent to E3.
1717. The plans and ambitions that we had 12 or 15 years ago did not dissipate. We continue to work on the proposals around E3. This has been almost 10 years in gestation, to bring the project through the process and to secure the funding from DEL and the international fund. There has been a long history associated with the Springvale campus site. To be honest, it is with some

sense of achievement that we feel we have delivered on that in a fairly unique location, exactly on a peace line. The process has involved lots of communications with local stakeholders, and we are looking at how we can reach out and deliver solutions. We worked on a programme recently with the Prince's Trust for young people not in education, employment or training (NEETs), bringing them in to look at animation programmes.

1718. We are working in the context of Belfast as a city; that is important for us as a college, because we are Belfast Metropolitan College. We want to look at the potential in the city and to look at the contribution that we can make to the city as a whole. The history of the location is long-winded, but there is tremendous potential here, although I am equally conscious of the fact that our friends in the north-west have put together a pretty impressive package as well, and they have proposals on the table around a creative industries hub. To be honest, we would say that some of what we have done already is the beginning of the foundations of a creative industries hub for the city of Belfast. I think there is a lesson for us to share because we are a small region. Perhaps the Committee can have some influence on this: how do we bring together the various parties to share the experience between and across the cities and further across the region?
1719. **The Chairperson:** If you have read previous Hansard transcripts, you will notice that the need for a creative hub is very much a common theme, be that in Belfast or having Northern Ireland as a centre of excellence generally. On the tour, you mentioned discussions that are being held with Belfast City Council and Invest NI in respect of an innovation centre; where are those discussions?
1720. **Mr Duffy:** Just to fill you in, Belfast City Council has made a commitment in its investment strategy to develop what was entitled an innovation centre on the Invest NI site on the other side of the road. Our discussions with the council, Invest NI and the Department of Enterprise, Trade and Investment (DETI) were around what that innovation would or could look like. We feel that, whatever is done, it needs to complement what is here. We are at an early stage of discussions, and have agreed to meet to have an input in shaping the proposition. The types of ideas that are in our head are around a digital creative industries hub. That is one of the proposals. We see that as complementing the business incubation facilities and the technical capability that we have. We also see it as filling a gap for the city of Belfast, and building on its history.
1721. To date, Belfast City Council has a very good track record in the creative industries. A lot of good work has been done in the creative industries unit in Belfast City Council to develop the industry and the potential of the industry. We are just trying to bring some of that discussion together. So, it is the early stages of the discussions, but we have thrown our hat into the ring; we have some ideas and are saying that we should not do something that does not build on what we have already achieved. We have to try to bring the bits together, which is symptomatic of the whole issue around the creative industries sector. We have all the bits of the jigsaw, we just have not necessarily fitted them together in the right way. Hopefully the Committee can deliver a solution in that regard.
1722. **The Chairperson:** That sounds all very positive.
1723. **Mr McMullan:** It states in your submission that, for events and tourism, £8 goes back in for every £1 invested. When I look at public investment, I see that only £4.80 goes back in for every £1 invested. Is tourism that much on the up that we get £8 in for every £1 spent? How are we delivering that in rural tourism areas? Most rural areas are facing problems in promoting tourism because of budget constraints.
1724. My other question is, how do you see an all-Ireland approach to the creative industries?

1725. **Ms Magee:** I will happily cover the question on tourism, albeit I do not want to speak on behalf of the Northern Ireland Tourist Board. I am sure that it would be delighted to have the opportunity to talk to the Committee. Several years ago, when I still worked in tourism, VisitScotland ran a programme called the Homecoming. It was very similar to the Northern Ireland 2012 Our Time, Our Place programme of events that is currently running. That demonstrated that, for every £1 invested in what were perceived to be large-scale international-type events, you could expect a return on investment of £8 back into the economy. In Our Time, Our Place, the Northern Ireland Tourist Board and Tourism Ireland are promoting seven big events internationally. Those include things like the MTV awards and the recent launch of Titanic Belfast. There are events that will go into some of the rural areas, including the opening of the new visitor facilities at the Giant's Causeway. There is a good spread across Northern Ireland. Previous research points to the fact that events are a hook; they are a reason for people to come on holiday to Northern Ireland. They definitely do present that opportunity and generate those returns.
1726. **Mr McMullan:** Is there not a high investment needed to promote those high-energy events?
1727. **Ms Magee:** There can be. High levels of investment can be required. Again, not wanting to speak on behalf of the Tourist Board, one thing it is very keen to promote is the opportunity for smaller events and festivals to cluster their programmes around some of those iconic events. You will very rarely see a single event taking place without a series of events. For example, on the back of the MTV awards, Belfast City Council ran Belfast Music Week and looked to piggyback on the investments and potential that that was creating. That is very much the message coming out from tourism. There are similarities running right across the creative sector. It is about clustering and coming together to give people something to buy. The discretionary and disposable income is still there; it is about making it easy for people to access product. Does that answer your question?
1728. **Mr McMullan:** Partly.
1729. **Mr Duffy:** The untapped potential of cultural tourism, and tourism generally, fits with another piece of what we do, namely the artisan skills, which are the skills of making product to sell to tourists, including craft products and the materials and the marketing of those products. Some small companies make very innovative products, and they can get them to market by having e-commerce capability or appropriate marketing tools and by using the internet. That can be a whole range of products and services, including bus tours, catering and any amount of souvenirs and materials, and, if we are trying to increase the number of tourists who come to Northern Ireland to the extent that we plan to, there are business opportunities there, and people need to go back and look at the skills. We have a foundry that is 50 years old, and it still works on producing bronze art and plaques and very interesting pieces of fine art. Some of that would easily sell in our tourist facilities across the North of Ireland.
1730. **Mr Edwards:** I will answer the second part of your question, which is about the all-island creative approach. I was at the BT Young Scientist awards in Dublin, and a point was made in a speech that no company globally is continuing to invest R&D in the development of the keyboard. That might sound like an obvious item, but a point was made about the articulation, communication and creative skills around storytelling, Heritage-wise, from an all-island point of view, we can take our creativity to the global market in the space where computers are going to rely on voice recognition and development of products. The heritage can bring storytelling, creative arts and creative writing on to the global stage.
1731. Operationally, on the ground, we are working with the institutes of

technology in Dundalk and Sligo, and we recently tried to submit — we were unsuccessful — an EU bid to get cross-border participation in the transition of students at higher education level in both directions. I am particularly keen to do that in the IT industry, particularly on the creative side, with those institutes, and we are starting to realise that, collectively, we could reach out to the international market in terms of education. We and Dundalk are working in the Chinese market in terms of education — Damian actually met them in China — and, by pooling our resources and collectively working together, we can show what we have to offer in creativity and education and put creativity back into vocational subjects. That is an all-island opportunity on a global stage.

1732. **Mr McMullan:** That is interesting. Unfortunately, that is not in the report. That should be in there because that is an exciting prospect. If that is as exciting as you say, it should, without doubt, be in there as another example of how we can promote collectively. The thing coming through a lot of this is collectiveness and not going alone. The market is too big and too competitive for us to go alone. In some cases, yes.
1733. That leads me into my last question. Invest NI is very proactive and does a lot of good work with the big industries here. Do you think that there is a need for another tier to look after the smaller microbusinesses that do not have the likes of Invest NI to promote them and their product, and to help them market and hold on to their ideas so that the bigger companies cannot take their ideas?
1734. **Mr Duffy:** I am happy to pick that up. In an earlier life, I worked in a local enterprise agency, and I appreciate, from a small business point of view, the value of tailored support. We need to look at developing a creative industry sector that is outward-looking and that looks at the market opportunities globally. In order to achieve that, there are benefits in clustering — bringing small businesses together under a particular umbrella or brand to promote

all the capability, the fine arts, craft and the multimedia opportunities. In many cases it is hard for some of those microenterprises to get beyond a certain point.

1735. We have come through the process of having a separate organisation. We have evolved from having LEDU, the small business agency and the Industrial Development Board. We have created a one-stop shop. Co-ordination between the Departments could be improved — between DCAL, DEL and DETI — around the package of policies and programmes that we have in place to support small businesses. On the one hand you have the creative industries fund. If you get to a certain point in your life cycle as a small business you can go to be an Invest NI client. If you want to go overseas, there are marketing supports from Invest NI.
1736. So, a bit of work could be done to develop an integrated package of help for businesses of whatever size to bring them through the process, offer them technical input and access to marketing support to go overseas. More than 90% of businesses in Northern Ireland are microenterprises. There is great value in promoting the brand and having the Northern Irish brand out there in the sector.
1737. I came back from China in March. I was there for three weeks and on my way back stopped in Hong Kong. We are a small place in a small speck in the world and we have got some great things to say and talk about, and great richness in our heritage and culture, but we need to have a collective brand that we can bring to the marketplace. There was an interesting observation — I said this a number of weeks ago — at a CBI/Invest NI workshop about how we develop our exporting capability. I said that I had travelled for the past 20 years the length and breadth of the planet and been in British embassies and British Council offices around the world. I have yet to see an image of any sort of Northern Ireland. I have seen pictures of red London buses, sheep in the Welsh valleys and Scottish mountains. It is a very simple thing but we have a range of

- things that we can do now to promote the Northern Ireland brand to the globe, using the networks we already have in place.
1738. Small businesses have limited capital and funds available to go to the international markets and, more importantly in some cases, do not have the international sales and marketing capability. They just do not understand what it takes to sell internationally. That is an issue for a whole range of businesses, not only the creative industries. We have a limited professional capacity in Northern Ireland to sell and market ourselves internationally. It could be much improved, and I have said exactly the same to Invest NI. We need to develop professional programmes that help our businesses, regardless of sector, whether in agrifood or creative industries, to help them to sell to a global marketplace.
1739. **Mr McMullan:** There is need for somebody or something else there to do that after what you said. You are the first person I have heard mentioning in all the submissions so far that that brand is not being seen out there.
1740. **Mr Duffy:** We have a brand and have done a massive amount of research, but we need to bring together the different strands. I do not think we need another organisation on top of Invest NI or a subset of Invest NI. We need to bring the sector together, be clear about what it offers, and package it as a single approach.
1741. **The Chairperson:** I think that Mr Swann will be disappointed that the Causeway is not the branding for Northern Ireland.
1742. **Mr Duffy:** That is exactly the point.
1743. **Mr Hilditch:** My question is around the same issue, looking at the incubation units and various things like that. My question was in relation to the experience or the relationship between your and Invest NI and local economic development, probably through Belfast City Council, and how you define that. However, you have given us an overview
- and I do not know whether there is anything to add.
1744. **Mr Edwards:** We are having some very useful conversations, but occasionally we feel that Departments themselves should be having some of the conversations that we are having.
1745. **Mr Hilditch:** I would not be terribly keen to see another tier because there is enough out there but, as you say, it is probably a case of bringing it together.
1746. **Mr Duffy:** It is about bringing it together and agreeing the protocols of who deals with which aspects. To be honest, there is some overlap and duplication in the way that things are dealt with. However, I think that it is as much about different Departments dealing with different pieces of the jigsaw, with DEL interested in education and skills and DETI interested in economics and promoting the sector. If different people try to get to the same place, there is a risk that you will dissipate the effort in funds and programmes.
1747. **Mr Edwards:** I think that this building replicates how that relationship is growing. You saw the incubation centres on one floor and where the education will happen on another. There is no line between education and business start-ups; it is a grey mix. You make the transition from your idea being formulated through the educational concept into a business start-up, and you form part of the work as a business start-up back into education to allow you to look for talent to grow your workforce.
1748. We are starting to get major industry. FE has evolved considerably over the past five years and brought itself much closer to employers. As Damian said, we are working much closer with INI and Belfast City Council. I outlined how we are changing our delivery approach, and we have to move that again. However, I believe that this building is a signal that that is going in the right direction.
1749. **The Chairperson:** The fact that, as a sector, the creative industries are very diverse and that a number of different Departments look after them make very

much for people working in silos. It is about bringing that together through cross-collaborative working. As a final question, what work do you do with the universities, so that we do not have another sector working on its own?

1750. **Mr Edwards:** I am delighted to answer that. Our relationship with the universities is good at higher education level. We have a number of foundation degrees that are validated by the universities, and the two main local universities are our main suppliers of validated qualifications. We do work with universities outside Northern Ireland, albeit on a very small scale, when they have specific specialist skills. For example, our fashion design course is a unique offer at Belfast Met and in Northern Ireland. As part of the tour today, you saw our autoclave for our composites. That is the only one in Ireland; the universities do not have access so we have offered it to them. Therefore, it works the other way and they can access our vocational equipment for practice and application.
1751. We have broad links between our level 3 provision and always make sure that that maps across to university entry criteria so that there is a transition and a flow of students through to the university environment, particularly at age 18. We work very hard not to replicate. With budgets the way they are and in trying to continue to offer the full breadth of vocational education that we want to offer, we have to work very closely. We have engaged with the University of Ulster on our business curriculum to make sure that there is no overlap, and we will continue to do so on the creative side. In establishing any new curriculum, the first question is whether there is another provider out there already providing it.
1752. The governing body of Belfast Met recently approved a curriculum strategy which will allow us to home in on the priority areas and on how creativity and, in another strand, languages pervade in those priority skills areas. Is Belfast Met covering those areas? Do we have linkages and progression routes internally, or do they link back to the universities? Our lecturers also work back and forth across the piece. We provide lecturers to some university areas, and back the other way.
1753. If there is one thing to be said it is that we are getting faster at adapting and bringing qualifications to market and in making sure that those qualifications meet the needs of industry. The universities are getting better with approving foundation degrees, and we find the University of Ulster is more interactive with us than Queen's. That is not to say that Queen's does not work with us on some basis in certain areas. However, we sometimes find that the speed at which those qualifications are brought to life is not the speed that we are now used to in the field of vocational qualifications. There are synergies and linkages to be created and developmental work to be done.
1754. **Mr Duffy:** We are already partnering on some specific projects. Skillset Media is a body that represents the sector. That is a partnership between us and the universities. There were 100 applications to bring together this particular grouping, and we were one of 100 selected. We work with the University of Ulster as part of Skillset Media.
1755. The Connected Fund, which is managed by our sectoral group, Colleges NI, has set aside some money for Belfast Met to establish a creative cluster and begin to work with the universities in September. There are a number of specific projects that we are already collaborating on.
1756. **The Chairperson:** Thank you for hosting us. What we have seen and heard today has been incredibly useful. Thank you very much.

31 May 2012

Members present for all or part of the proceedings:

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

Witnesses:

Mr Roger Fitzpatrick	<i>Association of</i>
Mr Micky O'Neill	<i>Film and Television</i>
	<i>Northern Ireland</i>

1757. **The Chairperson:** I welcome Micky O'Neill, who is the chair of the Association of Film and Television Northern Ireland (AFTNI) and Mr Roger Fitzpatrick, who is the vice-chair. Gentlemen, you are very welcome to this morning's meeting. Thank you very much for your response to our inquiry and for taking the time to come to our stakeholder event. I understand that you have other issues that you would like to raise, so, if you are happy enough to make an opening statement, members will follow up with some questions.
1758. **Mr Micky O'Neill (Association of Film and Television Northern Ireland):** If you do not mind, I will read from a paper that we have prepared. Good morning, everyone. On behalf of the Association of Film and Television Northern Ireland, I thank you for this opportunity to address the Committee. Our intention is to keep our introduction brief so that we can concentrate on any questions arising from our written response, which I believe you have all received. We represent the visual aspect of the film and television industry and do not see ourselves as particularly good orators. Normally, we let our visuals speak for us, but I hope we can put across our passion for our industry and our commitment to it.
1759. To give you a bit of background, the AFT, as its name suggests, is a body set up to represent professionals engaged in the production of the moving image in the Northern Irish film and television industry. We are a young organisation, but the amount of experience held by our membership and others that we have in our reach is vast. We held our inaugural meeting in February. We already have 140 members signed up, and our membership is growing pretty much on a weekly basis. We are an independent, not-for-profit organisation, run by professionals in the industry for professionals in the industry. We represent individuals across the complete spectrum of all departments involved in production, including crew, technicians, producers, facility houses and suppliers.
1760. Some of our aims are to offer our members a forum for discussion; to promote their interests, opportunities, welfare and safety; to promote and maintain professional standards and good practice; and to maintain a liaison and open dialogue with other interested and relevant bodies as regards how we build our industry into a sustainable and lasting one. We see the Department of Culture, Arts and Leisure (DCAL) and this Committee in that light.
1761. Currently, we have a committee of 12, and each committee member represents their own sector so that we can get feedback from the grass roots on their needs and the challenges they are facing. In order to encourage and maintain professional standards, a member of the AFT has to have been working at his or her grade for a minimum of three years, although many of us have been involved in production for a lot longer than that. For example, Roger and I have been in the business for 30 years.

1762. Roger is a news and documentary cameraman with his own camera hire and facility company, and I run my own production company specialising in TV commercials. Since the 1980s, we have seen major changes in the industry. Back then, there was a reliance on news and current affairs, borne largely out of reportage of the Troubles, as well as on TV commercials and corporate videos. The independent industry has since blossomed, producing many major feature films and TV dramas locally.
1763. We appreciate the broad church that is the creative industries and that you will have heard evidence from many other interested parties, some purporting to represent film and television. We strongly believe that film and TV production is a major player in the creative industry and that, as a body representing those actively involved in the industry, we are well placed to put forward the key challenges facing us. We applaud and recognise the work of Northern Ireland Screen, for example, in bringing work into the Province and the financial incentives that are there to encourage such inward investment. However, we are concerned that not enough local talent and ancillary services are employed in those productions.
1764. We have in our ranks many qualified people who can and do work internationally to the highest standards, although we accept that a significant number of personnel employed in the industry are not yet trained to the high standards expected by international players. We feel that through training, strategic development, scholarships and/or apprenticeships, we can bring these people up to a level where they can hold their own against the best in the world and that, in doing so, we can promote Northern Ireland as a centre of excellence for TV and film production. We believe that once the incentives have dried up, as they invariably do, we will need to have this level of excellence if we are to sustain the industry and the jobs for many more years to come. Training is, of course, a short-term goal of ours, and we believe that it needs to be fast-tracked, as there are productions under way at present that cannot be extensively crewed locally. However, our long-term goal is to see the setting up of a film school or centre of excellence where we can have proper vocational training and make Northern Ireland a desirable destination to come to for production skills.
1765. I will now hand over to Roger Fitzpatrick to summarise the points made in our written response, and we can perhaps answer any questions that may arise from that.
1766. **Mr Roger Fitzpatrick (Association of Film and Television Northern Ireland):** First, the potential is fairly obvious at the moment from the amount of money that is coming in through the big HBO productions and the two or three other productions this year. We have also seen the development of the television sector through the production of a lot of kids' programmes, and so on, and the development of computer-generated imagery (CGI), which seems to be a very big thing, with some contracts for feature films in Hollywood being serviced at the moment. The potential is obvious.
1767. Ultimately, the challenge is vocational training. An awful lot of people come out of media skills courses and film studies courses, but, to be quite honest, they do not know how to work in the industry and are not trained for the jobs that are available. We need to get those people up to speed on all sorts of basic things, from health and safety to set etiquette. They need to know how to behave when on a film set; not to talk to the wrong people and how the pecking order works. We need some hands-on training and a true apprenticeship with, as Micky said, strategic planning and scholarships. That is, ultimately, the key challenge. In our current policies, a lot of money comes into the industry, but it is not, perhaps, put in the correct places. We need to bring those people up to speed and spend the money on people rather than on hardware. I will leave it open to questions now.

1768. **The Chairperson:** Thank you very much for that. You dwelt on the issue of training and said that it is a challenge. In your industry, is there a feeling that, as individuals with your own respective areas of work, you would be inclined to take on graduates or young people who are going through further education (FE) colleges and offer them the types of apprenticeships that you talk about? You have been talking about on-the-job training.
1769. **Mr Fitzpatrick:** I have been through that. I had somebody in for six months who had five years of tertiary level education. We had to start by training that person on how to work, which is probably a big problem anyway because a lot of people are not trained to go into a job and to engage in the work. Unfortunately, after six months, that person went nowhere. That person had very high ambitions and was not willing to engage in the basic stuff. The job was essentially cleaning cameras, preparing cameras to go out the door and bringing them back in and, at times, going out to assist on shoots. After three months, we were still not confident that we could put that person out the door. The person had been so badly trained that we were spending our time on untraining.
1770. **The Chairperson:** As an organisation, are you looking to work with schools and FE colleges?
1771. **Mr Micky O'Neill:** You have to remember that we are all voluntary and all have our own work to do. Yes, we will liaise with all bodies. Personally, I do not think that we can set up training schemes. We have talked to the schools and colleges, and, over the years, we have all taken on work experience students from schools. That is OK if, like myself, you are in pre-production in an office and someone can shadow you. However, when you go on to set, the skills that are needed are just not there. For example, when people think of the film industry, they think of cameramen, directors and producers and have heard of best boys and key grips because they have seen that in the credits at the end of films. However, in construction, we need joiners, plasterers and painters. Our committee representative for construction has 80 people on 'Game of Thrones', and some other productions are coming that need a standby chippy — a standby joiner — who stands there and waits for something to happen. If they want to do a tracking shot, he has to lay track over uneven ground and has to be able to level it. They might want to take a door off to get a shot through a door and might want to move things about. He has only one person who he can send out on these productions. The productions perhaps come from outside Northern Ireland, and a high standard is expected. It is those sorts of grades that are needed.
1772. You also have to have a nurse on set. If you are dealing with animals, you have to have a vet, and if you are dealing with horses, you need a horse wrangler. Security people are needed, as are hairstylists and seamstresses. There are all sorts of roles involved that you would not associate with the film industry. You cannot just take those people on and bring them along with you. They need to be trained and then placed on a production with someone else. They cannot just be let loose, as things could get out of control. Sets are very busy places, and people on set do not always have time to say, "Are you watching what I am doing here?" Therefore, a training course has to be in place before people are let loose on set. I am not sure whether that answers your question.
1773. **The Chairperson:** We are relatively new to the whole concept of working with productions such as 'Game of Thrones', and it has opened up a whole new raft of issues for us. It has also given us opportunities that we perhaps did not have or did not see before. We perhaps were not aware of skills gaps, and so on. Roger, you mentioned that you had worked with someone who had gone through tertiary education. At that stage, is it too late? Do we need to start that work much earlier, perhaps in schools?
1774. **Mr Micky O'Neill:** Schools and third-level education institutions offer courses in media studies, film studies and all

- the other things associated with that. However, on those courses, you are being educated as opposed to trained. Quite often a student will take one of those courses with the ambition of being a director, producer or writer, but no one thinks of the other skills, the worker skills. Kids could leave school at 16 and do something that will train them not only for the film industry but for other work. They could end up as plumbers and painters who go off and do other work but are on call when productions arise.
1775. **The Chairperson:** So, they would be able to transfer those skills.
1776. **Mr Micky O'Neill:** Yes. We and academia really need to talk more. We believe that there are too many courses that are not relevant to the business. We have too many producers and directors coming out, and we just do not need them all. We need people who are further down the scale.
1777. **Mr Fitzpatrick:** We need hands-on people. We need camera assistants who know about cameras and who know that they will have to do a lot of cleaning when they start the work. They should be able to recognise that and that there are opportunities to develop their skills and perhaps become camera operators.
1778. **Mr Micky O'Neill:** Let us take as an example the likes of the electrical department of a production. The chief gaffer on 'Game of Thrones' needs electricians. Now, he knows loads of electricians, but they are used to rewiring houses. When you bring those people on set and ask them to bring you a 12k or 6k lamp, they do not know what you mean. They do not know the names of the lamps. ARRI Media in the UK has offered to show people around and help them to identify the different lamps that they will be asked to use and tell them what to do. Even if we had something to send those people, it would be a help; we cannot expect them to pay for themselves.
1779. **Mr Ó hOisín:** I declare an interest because of my previous involvement in the Irish Language Broadcast Fund.
- I suppose that it was through that involvement that I saw how the industry works and the various issues that you have rightly outlined.
1780. Is it not your contention that the real issue is the lack of commissioned work for all the people who have been trained or, as you said, educated? A lot of people are doing the various courses on digital media and so on, but there is nothing there for them when they come out.
1781. **Mr Fitzpatrick:** You are totally right. There are also far too many people coming out of courses. I do not think that we could ever sustain the amount of people who are trained in Northern Ireland. I re-advertised the job I spoke about earlier and got 60 applications.
1782. **Mr Ó hOisín:** How best can we address that issue?
1783. **Mr Fitzpatrick:** The broadcasters are perhaps not commissioning sufficient programming. That is one point. We see bigger projects coming in. There is quite a lot of work coming in, but, unfortunately, the people we are producing are not sufficiently trained to work on the programmes. Take 'Blandings' or 'The Fall', which is shooting at the moment. People from here are working at the lower levels. There are not a lot of indigenous Northern Ireland people at the higher levels.
1784. **Mr Ó hOisín:** Is the Northern pond really just too small? As is the case with many of the creative industries, we should be looking at things on an all-island, all-islands and all-Europe basis.
1785. **Mr Micky O'Neill:** Yes, absolutely, and they, in turn, are entitled to come here to find work, too. So, there is a bit of a trade-off.
1786. **Mr Fitzpatrick:** A number of companies here are getting international commissions and bringing them here, but we could exploit the opportunities a lot more. As I said, computer graphics work is coming in from America. We are in a good place, and we have a very good background in the media. We are probably one of the most media-savvy countries in Europe

- because we have been exposed to it for years. So, there are opportunities, and the big question is how to exploit them. How do you turn an idea that is bred in Northern Ireland into a 'National Geographic' programme or something like that?
1787. **Mr Hilditch:** I want to ask about social clauses in contracts. You said that there are plenty of international commissions coming to Northern Ireland. Is that what you are saying?
1788. **Mr Fitzpatrick:** Sorry; in what sort of international commissions? Films?
1789. **Mr Hilditch:** You said a few minutes ago that there are plenty of international commissions coming to Northern Ireland. Is that not what you said?
1790. **Mr Fitzpatrick:** No; I think that a number of companies in Northern Ireland are doing international commissions.
1791. **Mr Hilditch:** Right. Are social clauses built into the incentives for people to come to a country to work?
1792. **Mr Fitzpatrick:** I understand what you mean now.
1793. **Mr Micky O'Neill:** We do not believe so. I think that, legally, they cannot be built in. Are you talking about a clause that says that you must employ so many people who are resident in Northern Ireland?
1794. **Mr Hilditch:** Locally, yes.
1795. **Mr Micky O'Neill:** I am led to believe that you cannot do that.
1796. **Mr Fitzpatrick:** You are tied by European law.
1797. **Mr Micky O'Neill:** But we would love to see that happen.
1798. **Mr Hilditch:** If building work is going on at a certain location in Northern Ireland, social clauses can be built into the contract so that people in the area benefit from it.
1799. **Mr Fitzpatrick:** It is extremely difficult. We discussed this with Northern Ireland Screen a couple of weeks ago. It is extremely difficult to do that when we are trying to bring in large contracts with Universal Pictures, Warner Bros, HBO, or whoever. Obviously, Dublin and other countries within Europe are competing for that work. If you start to push the social clause and say that you must have x amount of people on board, you might push the spend, but the companies will start to get cold feet. It is hard.
1800. **Mr Hilditch:** You said that there were a lot of applicants for the positions that you have advertised but they are not skilled. Is that the message this morning?
1801. **Mr Micky O'Neill:** As Roger said, he was trying to fill a job that was more of a technical job. He was getting applications from young people who have gone through third-level education and who really want to do anything that will get them into the business. I constantly get e-mails and letters from graduates who say that they will work for nothing just to get a foot in the door. There are too many of them. You feel sorry for them, but you cannot give them all a go. At that end, there are just too many people and not enough places, whereas, at the other end, there are plenty of opportunities but not enough people.
1802. **Mr Hilditch:** So there are two different arguments. I understand now.
1803. **Mr McMullan:** Are we being held over a barrel by the production companies? You say that we do not push the boat out as regards social clauses. Other countries have these clauses, and pushing them does not seem to be a bother. If we are going to really get these young people into meaningful work or apprenticeships or whatever, are we —
1804. **Mr Micky O'Neill:** You are totally right, and I completely agree with you; we are too soft. One of our committee members, who hoped to be with us today but could not come, is a cameraman, a very good director of photography. He has shot movies in New York. He told me recently that he was working on a film where he had to shoot in Hungary.

- Now, if you were a top cameramen going somewhere to film, you would want bits of your blue blanket; you want your focus puller, who you know and trust, and perhaps that focus puller wants to employ his clapper loader, who he knows and trusts. Mark was not allowed to do that; he had to employ Hungarian people all the time. He was given an interpreter, because everyone was speaking in Hungarian, but they insisted that that is how they work, and I agree that something such as that should be happening here.
1805. **Mr McMullan:** Correct me if I am wrong, but, quite a lot of these production companies are here because of the benefits they get from the tax breaks. So, even if you did not push the role of social clauses, they would still come anyway because of the tax breaks.
1806. **Mr Micky O'Neill:** Certainly.
1807. **Mr McMullan:** Do you not think that we should take that stand?
1808. Also, there has been a lot of publicity in the paper recently about 100 apprenticeships in 100 days. Do you know anything about that?
1809. **Mr Micky O'Neill:** No.
1810. **Mr Fitzpatrick:** I have heard about apprenticeships and that there is a push for them at the moment, but I do not understand the 100 days point.
1811. **Mr McMullan:** The other thing is, do you have any subcontractors that you would take on? Is it not up to the subcontractors to train some of their staff in going on to a set, so that they would be able to know what lights to ask for and so on? Is that not their responsibility if they are going to be subcontracting?
1812. **Mr Fitzpatrick:** It is employment that you have to look at. Ultimately, when the production rolls into town, there will be the higher levels: the director will probably not come from here; the script writer will not come from here; the director of photography most likely will not come from here. We are talking about the lower level. We need to be confident in our skills base so that we can have qualified camera operators. An awful lot of our camera operators here cannot use the machinery that is necessary on a film set; they do not have experience and have never been taught in it. We need that confidence in our skills set, so that we can offer up people who can do the job, because if we start to put in social clauses, then you must employ people, and if they cannot do the job properly, the whole thing will backfire.
1813. **Mr McMullan:** The whole thing is not geared up for this, then?
1814. **Mr Fitzpatrick:** Yes.
1815. **Mr McMullan:** Do we operate any kind of a scheme here where young people here can, let us say, be sent to work for some of these major film companies abroad for experience and then come back?
1816. **Mr Fitzpatrick:** No; scholarships are what we are talking about. We would like to see that, but it is not just young people. There are people who have 20 years experience who have been filming for years and years and who could go on these sets, but because they cannot use and never have used simple things such as geared wheels or a geared-head tripod, they are near enough useless on set. The same could happen with an electrician who does not know the names of the lights. They need to be stepped up and pushed up. They also need to see different working practices throughout the world, such as how the people in America make a film, because that is slightly different to how Pinewood Studios would make it. These people have never seen that.
1817. **Mr Micky O'Neill:** The other thing is, Oliver, you asked about us subcontracting and whether it is not the responsibility of those people to train up others. For example, if I am putting together a production, I would subcontract individual freelance people. I might employ four electricians — a gaffer and three sparks — but each one of them

- would invoice me separately. They do not belong to a company, so I cannot expect those people to train someone below them. Who is going to pay them while they are losing work while they are training someone?
1818. **Mr McMullan:** They, themselves, can access funding to train.
1819. **Mr Micky O'Neill:** Is there a fund?
1820. **Mr Fitzpatrick:** Ultimately, the courses are not there. There are no locally based courses that would do such things. It would not be particularly hard to organise. For example, for the camera operators, which is something I know about, you would need to bring a good tutor who has got good experience in feature films over to Northern Ireland, get five or 10 people in and run a course for possibly only a week, and they would come out a lot better. After that, we would probably need to see lower level productions coming here, so that those people would get an opportunity to work on them. Then they would have a CV and experience behind them, so that, when the bigger stuff comes in, they have a chance to get that job and we do not have to import the skills base because the people here do not have the training or the experience.
1821. **Mr Micky O'Neill:** That would be helpful. As Cathal said, we need more commissions. We need the broadcasters to stand up and be counted. In accordance with the Broadcasting Act 1990, broadcasters were meant to spend 25% of their programme-making budget with independent companies. At that time, a load of people left the BBC to set up those little companies. It was working great for a while, but none of the broadcasters are meeting their targets any more.
1822. **Mr Fitzpatrick:** Our independent companies are, unfortunately, not getting an opening into the national BBC market. If you look at where independent television productions are made, you can see an awful lot of Welsh and Scottish stuff.
1823. **Mr McMullan:** Why is that? We were fed the line that we were the premier area for doing this, that and the other, and it seems to be that regions that we were told were lower in the pecking order seem to have it better organised and controlled than we have. The Welsh are very strong on that; I read up on them.
1824. **Mr Micky O'Neill:** Yes.
1825. **Mr McMullan:** Why are we not so strong?
1826. **Mr Fitzpatrick:** I think that that question should be addressed to our BBC. You could see production companies here that are totally capable of going into those marketplaces. An awful lot of our people have worked in them and constantly work in them. Look at 'Forethought', after the 'Channel 4 News'; it is locally produced. So we have the experience, but, perhaps, not the opportunity.
1827. **Mr McMullan:** It is really the top level that we need to start with, and get work practices changed?
1828. **Mr Micky O'Neill:** Wales was not always strong on film-making. Whether it is coincidence, since Wales has had its own Assembly, things have changed. I cannot stand over that suggestion, but the two things seem to coincide.
1829. **Mr Fitzpatrick:** There is a large push for decentralisation of the BBC from Soho, in London. It is now in Salford and Glasgow, and it has a centre in Cardiff. BBC NI was not apparently — so far as I know — meant to become one of those centres. We do not see a large change in it.
1830. **Mr Ó hOisín:** I am not clear, gentlemen, about the membership. Does it include all those local companies, the like of Green Inc, Stirling Film & Television Productions, and Tobar Productions?
1831. **Mr Micky O'Neill:** You are asking about our membership? Our membership is not composed of companies but of individuals. Anyone within Green Inc, Wild Rover Productions and so on may register, and some have done. We are individuals and professionals.

- We are not like the Producers Alliance for Cinema and Television (PACT), the producers' association.
1832. **Mr Fitzpatrick:** Anne Stirling has registered an interest.
1833. **Mr Micky O'Neill:** Yes. She has registered as an individual; it is not a company interest.
1834. **Mr Ó hOisín:** OK. That is clear. Thank you.
1835. **The Chairperson:** Have you finished your questioning, Mr McMullan?
1836. **Mr McMullan:** I beg your pardon, Chair, I have. Thank you for your presentation.
1837. **Mr Swann:** Gentlemen, you referred to the need for a centre of excellence. Have you had any involvement with the Belfast Metropolitan College and its new e3 building, which we visited last week? They have production facilities there.
1838. **Mr Fitzpatrick:** In my opinion, that production facility duplicates what we already have in this city. I do not see a real need for it. We need much more specific skills than that. It is a television production studio, as far as I know. We have one in the BBC, and, rather than building a television production studio, moneys might have been better spent in renting one with professionals there and bringing students to it for a very short time. That could be done for a couple of weeks a year, after working up to time in a studio. You go in there and you learn how a studio works in real life.
1839. **Mr Swann:** How do you see the centre of excellence that you talked about earlier? Who would it target?
1840. **Mr Micky O'Neill:** The centre of excellence is a notion of ours. We are researching it. We have only been together since February, and this has come up in a couple of our meetings. We are involved in looking at other models.
1841. **Mr Fitzpatrick:** Film schools, basically.
1842. **Mr Micky O'Neill:** New York has been mentioned and Basingstoke, where K1 is, and in Canada there is a particularly excellent one. We are getting together a subcommittee to research and see what model is the best to follow.
1843. We are not saying, for example, that we need to have a purpose-built campus. There are existing facilities that could be used. Rather than students coming to the campus, they could go elsewhere and bring in something to do with the Belfast Met. There are also other companies down in the Paint Hall studios.
1844. **Mr Swann:** Is this only an idea at the moment?
1845. **Mr Fitzpatrick:** If we could get the top-level skills in here, we could build a centre of excellence. We have a lot of people all around the world who are excellent in television and film. We see no reason why those people could not come back and pass on their knowledge. We also see no reason why we cannot bring knowledge in to train our people, and, as that knowledge base increases, we can build on it. Where it happens is immaterial. It could happen in the Belfast Met, for example. However, we need to build a core of people with that high-level knowledge and ability.
1846. **Mr O'Neill:** An Oscar-winning editor in LA, who is from here, has joined us and is more than happy to do masterclasses and courses, but someone has to pay him. We do not have funds. We are not here looking for funds, but we are trying to get someone to take the lead to set up training or scholarships so that someone can be paid to come across and impart their knowledge. That is just one example.
1847. We also have internationally renowned cameramen. They may not be resident here, but they are from here, and they will come back and impart their knowledge to young people because they know what it was like when they were starting out.
1848. **Mr Irwin:** I apologise for not being here for your presentation. In relation to grant aid, I gather that you feel that there needs to be a change in the way the criteria are assessed, whereby grant aid is more focused on individuals and that

- there should be a wider assessment in relation to that. One would have thought that individual grant aid could be useful. Do you feel that that is not the case?
1849. **Mr Fitzpatrick:** We have a very fragile marketplace here. We have very little work, and grants can very quickly distort that marketplace and give somebody an unfair advantage over somebody else.
1850. **Mr Irwin:** Do you feel that the money should be targeted differently?
1851. **Mr Fitzpatrick:** It should be strategically invested into areas where it is necessary. If you look at opportunities in computer graphics at the moment, the University of Ulster at Jordanstown is doing a lot on that. Therefore, money could go in there, and that could bring loads of people along. It could bring companies here specifically for a project so that we have trained individuals to fulfil the needs of that particular project or contract.
1852. **The Chairperson:** In conclusion, to go back to the point that Mr Swann made in relation to the e3 project, I am disappointed that you do not see that as a good opportunity to use such a facility to train professionals in your field. It might be useful for you to have a conversation with those involved in that project to see where they can be of assistance to you.
1853. **Mr Fitzpatrick:** Absolutely. We are completely open to that.
1854. **Mr O'Neill:** We are trying to open up dialogue with all sorts of people at the moment. We are all involved in the business, so it is about trying to find the time. We have a few targets to meet. So far, we have seen Northern Ireland Screen, we saw the Minister for Culture, Arts and Leisure last week, and we met Stephen Farry here today. Therefore, we are going out to make more people aware of what they do and get what they have to offer, so that we can say to our members and to other bodies where we think the challenges are and how they can be met, where possible, with existing facilities, without generating
- new ones and being counterproductive and spreading the pool too much.
1855. **The Chairperson:** The e3 campus will be open next term, so it is probably timely that you have the conversation now.
1856. **Mr O'Neill:** Yes. We also want to speak with the people in the Paint Hall. We want to talk to the producer Mark Huffman, who was responsible for bringing a lot of the HBO stuff here in the first place. We want to try to get him involved and see where he can help us out and where we can help him out. Therefore, we have a hit list of people to see.
1857. **The Chairperson:** Thank you very much for coming here this morning and sharing your views with us.

7 June 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
 Mrs Karen McKeivitt
 Mr Oliver McMullan
 Mr Robin Swann

Witnesses:

Ms Joanne Stuart *Arts and Business*
 Ms Mary Trainor-Nagele *NI*
 Ms Brona Whittaker

1858. **The Chairperson:** We welcome the officials from Arts and Business to the meeting. Mary Trainor-Nagele is the chief executive, Joanne Stuart is the chair and Brona Whittaker is the arts manager. Members will note that we were to expect a fourth representative, but, unfortunately, she has been called away to jury service at the last minute. I welcome all of you. Thank you very much for your response to the inquiry; it is very detailed and very welcome. Mary, would you like to introduce your team and give your opening statement? We will then follow up with some questions.

1859. **Ms Mary Trainor-Nagele (Arts and Business NI):** Thank you very much for inviting Arts and Business along. We are really delighted to meet the Committee, and we commend the Committee on undertaking such an extensive inquiry — you have seen quite a lot of people. I am the chief executive of Arts and Business. I have worked in the sector for over 24 years, and that includes some time working in the private sector. Arts and Business has been in Northern Ireland for 25 years. Ours is the only organisation that bridges the cultural sector and the commercial sector, and our aim is to advocate and facilitate partnership between those two worlds. That is what we are about. Our growing

Arts and Business membership ensures that we are deeply rooted in those two sectors, and it is interesting to note that we engage with all art forms and cultural organisations of all sizes, from the likes of the Grand Opera House to smaller organisations that maybe do not have any full-time staff. Our business membership also spans an array of business sectors, again including small and large organisations. We work on areas such as placing businesspeople on cultural boards. We run training programmes to help the arts to secure private investment, and we connect both worlds through a lot of our events and our advocacy activity.

1860. I am joined by two colleagues. Brona Whittaker is our arts manager, and, in her daily role, she connects with cultural practitioners. As you mentioned, Tania Carlisle has been called to jury service, and she gives her apologies. Joanne Stuart is the chair of Arts and Business. As you will be well aware, Joanne was chair of the Institute of Directors (IoD) for many years, and she acts as an IoD mentor to the creative industries through one of its programmes. She was also integral to the Chief Executives' Forum/IoD report on the creative industries, entitled 'Nurturing talent and harnessing ideas'. As well as being our chair, Joanne is here as a credible business voice. She has a real passion for the creative industries.

1861. I will lead on our opening remarks. You have had our written evidence, so I would like to go straight in to focusing on our recommendations to the Committee. We see three key areas for the maximisation of the creative industries: maximising the economic benefits; maximising skills and capacity; and maximising opportunities around education and professional development.

1862. Taking the first area, maximising economic benefits, it is really encouraging that the Programme for Government, the investment strategy and the economic strategy have all recognised the valuable role that the creative industries can play, both economically and socially. Arts and Business has encountered that in our dealings with the business community and with various Departments. In addition to the work that we do with the Arts Council and with the Department of Culture, Arts and Leisure (DCAL), we have built a really valuable relationship with the Minister of Enterprise, Trade and Investment and Invest Northern Ireland. They are helping us advocate to business that engagement with the arts delivers business results and speak publicly about the fact that the creative industries attract foreign direct investment and encourage people to work and live in Northern Ireland. A really nice example of cross-departmental working with us on this topic is an in camera dinner that we run annually, where the Minister of Culture, Arts and Leisure and the Minister of Enterprise, Trade and Investment work together on facilitating a discussion around the benefits of and barriers to partnership.
1863. We have four recommendations on maximising economic benefits. First, please remember the valuable role of arts and culture as a bedrock for the wider creative industries. If it is to reach its full potential as an economic driver, investment in its people and skills are absolutely critical.
1864. Secondly, a vibrant arts and cultural sector is critical to helping government achieve the targets around cultural tourism. Kabosh's Belfast Bred product is a really nice example of that.
1865. Thirdly, arts and culture has a role in stimulating innovation, which is so critical to the government agenda, and fostering a culture of imagineers. We advocate the role that the arts play in the STEM subjects. I know that you have heard the term STEAM, which stands for science, technology, engineering, art and mathematics, and we really support that. Creative businesses such as advertising and film should be encouraged to use indigenous artistic talent.
1866. Our fourth recommendation on this topic is around exporting. How can we develop our links with business, for example, to facilitate an exchange of information between the two sectors on how to export? Joanne is very passionate about this point. A lot of advice is already out there cross-sectorally, so we need better signposting to what support is there, particularly around general business support and in relation to export. One of the challenges for our sector around exports is funding for international touring. It is really encouraging that the Arts Council ran a seminar last week on how to access EU funding. That is an area in which there are more opportunities.
1867. Our second theme of maximisation is around skills and capacity. If we are to maximise the full potential of the sector, it really needs investment in the people who work in it now as well as the people who are going to work in it in the future. We are all aware that the economic and public-funding environment that we are in requires all businesses to look at different models of operating and different funding models. A key challenge that we are finding in diversifying income in the sector is around skills, but particularly relates to stretched resources. It is interesting to note that very few organisations in our sector have full-time fundraising and development staff. Particularly in these times, planned strategic fundraising takes time.
1868. Another issue is that, when resources are stretched, training budgets are sometimes the first things to be cut. We also know from our research that private investment in culture is falling, and business investment has fallen over the past four years. Having said that, there are still many good news stories of new and sustained arts sponsorships. What we are finding is that, because of the business environment, businesses are being a lot more strategic about what

- they are sponsoring and are looking for a lot more business results from that. So, the impact of that for the sector is that it has to work harder to find the relationships and work harder to keep them and cultivate them. Also, the need for business results can sometimes lead to a more risk-averse approach to sponsorship, so that might affect the types of activities and organisations that are being sponsored.
1869. On a positive note, we are finding that businesses that might not be able to give cash are very willing to give their time through in-kind support, such as services and, in particular, mentoring. For example, last year, through our many programmes such as our Board Bank and Young Professionals programmes, Arts and Business facilitated pro bono support from 42 businesspeople throughout the year for the cultural sector.
1870. We have four recommendations around skills and capacity. The first is on the model of business skills mentoring. We know it works, so how can we scale it up for the wider creative industries?
1871. Secondly, there are opportunities to diversify through trusts, sponsorship and philanthropy, but, if organisations are going to maximise those opportunities, they need the investment to ensure that they have the capacity to go after that. Also, in our fast-moving industry, we need a more strategic approach to continuous professional development in the sector, so that people are encouraged throughout their careers.
1872. Thirdly, how can we get people in the sector to help each other through peer-to-peer mentoring? We have worked with the Arts Council, Creative and Cultural Skills (CCS) and Audiences Northern Ireland on a peer-to-peer mentoring programme, where we got senior fundraisers mentoring junior fundraisers, which worked really well. Could we apply that to the more senior creative industry professionals helping younger start-ups?
1873. Fourthly, with regard to encouraging cross-sectoral partnership, Joanne is working with others on a potential cross-
- sectoral young leaders Northern Ireland forum. Arts and Business is really keen on looking at an arts young leaders forum, which could feed into that wider cross-sectoral group.
1874. Our third theme of maximisation relates to education and professional development. There is real concern about the young leaders who are coming into the sector. How do we ensure that we are inspiring young people to think about careers in the creative industries? How do we ensure that they come out of college with qualifications that are industry-led? How do we ensure that they have the business skills, the confidence and the entrepreneurial spirit that they will need for the environment that they are coming into?
1875. So, the first of our four recommendations is the use of inspirational Northern Ireland heroes who have been successful in the creative industries and looking at how we can use them to excite and inspire career choices in the sector. Initiatives like CCS's Creative Choices website are really valuable.
1876. Secondly, we support the plea to encourage more focus in the school curriculum on creativity and entrepreneurship.
1877. Thirdly, having more mandatory business skills training in creative qualifications would help graduates adopt a more commercial approach to driving their future businesses, and the placements in industry are a real way to help students strengthen that commercial offering.
1878. Fourthly, there are currently no formal paid internships for the cultural sector, and such internships, maybe coupled with business skills mentoring, could prove useful in driving inspiration for school leavers and young start-ups. As I said before, developing more strategic learning pathways for people in the sector is really important.
1879. In summary, let us remember the important role that arts and culture plays in the wider creative industries. To reach its full potential as an economic driver, the sector, particularly the arts

and cultural side, needs investment in its people and their skills, and we have heard about the challenges around capacity. Let us forge more links between business, arts and culture and the wider creative industries, and maybe look at some Arts and Business models, such as the mentorship, to see how we can use that. Let us strengthen links between education, industry and business to grow and inspire the creative industry leaders of the future. I have a little Venn diagram that I will pass around that summarises those recommendations. You can have that as a reference point.

1880. **The Chairperson:** Thank you very much. The Department has developed a creative industries framework, the main focus of which is collaboration between industry, government and academia. What are your views on the framework? Do you think it is the right focus for government at the present time?
1881. **Ms Trainor-Nagele:** There absolutely has to be cross-sector collaboration, and we advocate that. In Arts and Business we see the benefit of that, and I have talked about some of our recommendations on getting the business skills to come in to the sector. Practitioners in our sector absolutely have to have those business skills. The models in which they have all collaborated are completely critical.
1882. **The Chairperson:** I have been at a number of your organisation's events, and it is fantastic how you can bring very large businesses together and engage them in the arts right across the workforce, including in many factory situations and so on. That gives people access to culture that they would never have had, and that is incredibly impressive. However, how can you reach out to smaller businesses and get them engaged with local artists who are one-man bands, such as very small studios, small theatre companies, and so on? It is much easier to go for the Grand Opera House and the Ulster Orchestra or collaboration with Patton Group or JTI. How can that be passed down to much lower in the community?
1883. **Ms Trainor-Nagele:** Quite a lot of our programmes have worked right across the board, and Brona probably has some great examples of how we have worked with smaller organisations.
1884. **Ms Brona Whittaker (Arts and Business NI):** Absolutely. Within the last year, we have worked with Seacourt Print Workshop in Bangor, which is a really good example of a collective of artists who come together to practise and use the space to produce their work. It receives sponsorship, which is modest but very meaningful to them, from Dunlop Homes, which is a local company. That is about collaboration, and the work produced in the print workshop went into Dunlop Homes, and a cash investment was made. Our work helped Dunlop Homes to take a legacy of the work produced in the Seacourt Print Workshop. That relationship has continued to build, and, although, as you point out, the cash investment is modest compared with that for larger arts organisations, it is very meaningful for Seacourt and enables its artists to make contact with the network that Dunlop Homes has and brings customers and that wider network to see the work produced by Seacourt Print Workshop. As you point out, smaller, individual artists find it very difficult to widen their networks and expand the groups with which they work. A comparable example is the Belfast Print Workshop and A V Browne Advertising, in which there was a very large in-kind investment.
1885. A V Browne brought its creative team to engage with the artists in the Belfast Print Workshop and, in return, gave the Belfast Print Workshop a large brand and website redevelopment and engagement. One of A V Browne's studio staff got a residency in the Belfast Print Workshop to improve their skills. There is a real skills exchange between the artists and the commercial sector. In that example, the exchange was probably much more meaningful than cash because both organisations got a lasting legacy from it.

1886. **Ms Trainor-Nagele:** The trend of in-kind investments is really important. We are also seeing that businesses' engagement at community level is very important. A lot of smaller organisations are deeply rooted in the community, so there are real opportunities to be had.
1887. **Ms Whittaker:** I will offer one more example. I do not know whether you are aware of the Weavers Court development just off Sandy Row, where the Moving on Music production and touring company is based. Weavers Court wanted to get in touch with the local community and show that it is embedded in the community. It produced a project called New Songs from Sandy Row, which we invested in. Having sponsored Moving on Music, the Weavers Court development agency held songwriting workshops at which local children could produce songs and music reflecting the issues that were important to them. They recorded a CD and brought their parents along to the local community centre for a performance of it. It is about more than just sponsorship; it is about touching the community. It is about the arts organisation making wider contacts and businesses having roots in the community in which they are based.
1888. **Ms Joanne Stuart (Arts and Business NI):** One of the important things is how we can communicate the benefits to both sectors. The relationship with business organisations is important; the Institute of Directors (IOD) deals with individual directors, and when I was chairperson, we had a real focus on the creative industries, which has continued. Arts and Business continues to have a relationship with the IOD. We have a mentoring programme where individual directors can work with a range of different companies in the creative industries comprising very small organisations — I was basically working with a one-man band — and larger organisations.
1889. Arts and Business has also developed a relationship with the CBI. At the CBI's most recent dinner, we had a platform and were able to showcase artists' work to over 550 different business people. Again, it is about raising awareness. It is about providing cross-sectoral networking through events such as Business Thinking Rewired, in which we get case studies to show the benefits for businesses as well as artists.
1890. I am a director of the Science Park. Obviously, the design process is really important when you are developing a business idea. Arts and Business is exploring ways to link artists with scientists and technologists at an early stage to help them in the design process. No matter how great your ideas are, if your design is not right, it will be very difficult to realise their potential. We are trying to bring that creative thinking into very small and start-up businesses as well.
1891. **Ms Trainor-Nagele:** One nice example is a programme that we ran with our young artists who had just graduated. We mentored them, paired them with businesses and put them through key business training, which looked at all aspects of business including finance and marketing. A business mentor worked with them on commissioning a piece of art for the business. That was about getting young artists to work with a business, helping them to think about commercialising their offer, giving them business training and then hand-holding them through the commissioning process. Quite a lot of the businesses recommissioned them afterwards. That is quite a nice model of a programme that was geared purely at young artists who had just graduated.
1892. **The Chairperson:** I congratulate you on the appointment of Joanne as chair of Arts and Business. It is a very clever appointment.
1893. **Ms Trainor-Nagele:** We were lucky to get in quick.
1894. **Ms Stuart:** Thanks very much.
1895. **The Chairperson:** Due to your links with the IOD, science and business, Joanne, it is a very appropriate appointment, and you will bring a lot to your role. Will you

outline what you are doing to promote mentoring in the creative industries?

1896. **Ms Stuart:** The Institute of Directors and the Arts Council have put together a programme that allows business leaders and directors to work with the creative industries. I am working with a digital media company that is in start-up mode and has some great ideas to develop iPhone and iPad applications. It has been quite interesting, because I have seen some really great ideas, and I am able to bring some focus on the business side. I can help the person that I am mentoring understand what needs to be in place from a business perspective so that he can realise the potential of the applications he is developing.

1897. He sees all the new creative ideas and the different ways in which they can be used, which is great, but this is about prioritising and controlling things without losing the creative spirit. When I am mentoring him in our sessions, I can feel that creative buzz. I am learning from him on the creative side, so it is definitely a two-way relationship, which we have both found very useful. I am not sure how many people are in the programme, but in the phase in which I was working, about 50 different business directors were working with different companies in the creative industries sector. It seems to be a very successful programme.

1898. The IOD sees the creative industries as one of the key elements in growing our economy. I believe that we have a cultural product that is second-to-none globally, but we have to be better at selling it outside Northern Ireland. I am keen to build export capacity so that arts and cultural organisations understand how they can sell their products outside Northern Ireland. We hope to develop that programme over the next 12 months.

1899. **Ms Trainor-Nagele:** The links that we have built with Invest Northern Ireland through our work with the Department of Enterprise, Trade and Investment (DETI) have been really interesting.

We have the breakfast series. We are considering whether we could do a breakfast series to bring in businesses and cultural organisations that have exported so that we could have some facilitated sharing of information. Yesterday, I attended an EU funding promotion which was launched by Diane Dodds MEP and which linked in nicely with the Arts Council's EU programme launch last week. So, there are already opportunities to join the dots.

1900. **Mr D Bradley:** Good morning. In your findings, you say that the sector, because of its disparate nature, does not have a strong, cohesive voice. Is that damaging to the sector, and if so, in what way?

1901. **Ms Trainor-Nagele:** The sector is very diverse, which makes it hard to get it to come together to lobby about its value. That is damaging, but there are opportunities in a cross-departmental working group, for instance, or something along those lines. Even in the arts and cultural sector we could do better at having a collective voice. We are very good at being reactive when we need to respond and come together for a campaign such as I Value the Arts, but there is more that we could do to be proactive. There are challenges in the arts and culture sector, never mind in the broader creative industries.

1902. **Ms Stuart:** When the IOD was developing its creative industries paper, it got representatives from every part of the creative industries to come to the table. The IOD was surprised to discover how many of them had not met, yet they were leaders in their particular sectors. The film industry was not talking to the music industry or the advertising industry, and they were not working together. This highlighted to a number of people that we needed to provide more facilities for networking, not only within the creative industries but across all sectors. There is a role for the sector skills council in bringing together all of the different arts and cultural organisations to look at the skills side. We also need to look at more networking opportunities to bring

- everybody together. When you get everybody around the table, there is so much commonality, but it is also about how they can work together much more effectively.
1903. We have just had the second creativity month: I worked on the first. It was developed by DCAL and is starting to provide a bit of a brand and a platform.
1904. There is more that we could be doing around a creative Northern Ireland. We looked at it a couple of years ago. Creative industries need to have one place to go, and we need to provide a way for them to share what is going on and share knowledge and information. Something could be developed around creativity month that could help cross-fertilisation across the industry and beyond.
1905. **Mr D Bradley:** Are you saying that if we want to maximise the potential of the industry, we need to have a strong, identifiable voice that represents the broad sweep of it?
1906. **Ms Whittaker:** There is also a capacity issue as regards resources and the time taken to lobby. As Mary said, the sector is very good at reacting to particular causes. When something is given to the sector to react to, it will unite in a very clear and cohesive manner. It is a case of giving direction. Joanne is right: if there were a particular vehicle to use, or umbrella for people to come under, they would take the lead offered. However, until form is given to that, or parameters are laid out, people will prioritise things such as fundraising or company direction.
1907. **Mr D Bradley:** Joanne, you said that when you mentor groups you emphasise exports. Does Northern Ireland have an identifiable cultural product yet, or is there, once again, a sort of broad sweep? Someone might associate Northern Ireland with a literary figure; someone else might associate it with music or whatever. Is there a need to get a more rounded cultural product?
1908. **Ms Stuart:** We are very fortunate because we have a very strong and diverse cultural product in Northern Ireland. It is very attractive. Certainly, it is recognised as an important aspect when companies decide whether to invest in Northern Ireland. It is about the whole cultural environment that we have.
1909. As far as exporting is concerned, sometimes the issue is terminology. When I started to look into exporting, which was also driven around social enterprises because, obviously, a lot of the arts organisations are social enterprises, I discovered that they are doing it without realising that it is exporting as such; that they are taking their products overseas. So, it is about showing a lot of the other organisations that this is the case, having case studies and exemplars, and guiding them in how they can do it and the capacity that needs to be built into their organisations. We have a product that we can take abroad. The fact that it is so diverse is a real positive for Northern Ireland.
1910. When I was working on the creative industries, one of the areas that we looked at was Austin, Texas — I think it was called Wired Austin. That is the sort of thing that we have. We have a really high quality product and lots of different types. We have something for everybody. We want to try to create that whole creative buzz, and we need to get it into all of our businesses. We know how global the economies are now; we have to remain competitive and continually innovate and adapt our business models. We need to have more of a creative mindset in our businesses as well. If we can create it as part of our culture, which we are doing very successfully, it will benefit the rest of our society and economy.
1911. **Ms Whittaker:** Joanne is right about exemplars. Two companies stand out among our membership: one is Cinemagic, which is the film festival for young people. It has exported to France and is making massive waves in New York and Boston. It has been invited all round the world. If we could go to our other creative industries organisations and say that Cinemagic has done this — and it is not, as Joanne said, necessarily

- calling it “export” — it would show them that their work has relevance on an international platform and that people will want to see it.
1912. Young at Art, another of our members, has taken a very small niche product called Baby Rave, which is literally a baby rave, and exported that, under a trading arm, to Australia. Again, going back to the signposting issue, it is about signposting the terminology and the trading arms, helping people to see that there are mechanisms for them to take their work elsewhere and showing them the benefits of export.
1913. **Ms Stuart:** The other things that we have to look at are the mechanisms for people to do that. Sometimes, it is a challenge to get funding in order to be able to take something that they have done here and bring it overseas. Also, they may need to look at how their company is structured in order to be able to trade in a different way. That is where capacity building, governance and business skills become much more important as well.
1914. **Ms Trainor-Nagele:** On that very point about governance, what we are finding on the mentoring side is that there is still a need to skill up on governance and strategic business planning. Those things, as stage one, are so critical to the sustainability of any organisation. So, there is still a lot of work to be done in that area.
1915. **Ms Stuart:** Through Arts and Business, we recently started a forum for chairpersons of arts and cultural organisations. Personally speaking, as a chairperson from the private sector, it has been very useful to meet others from a culture background, because we can really start to help one other. As that network grows, it will be very helpful and supportive to organisations.
1916. **Ms Trainor-Nagele:** When I met the Northern Ireland Tourist Board recently, it said that it sees culture as a critical driver for “Brand NI”, as it calls it. It is really exciting that the Tourist Board sees the need to bring us in as well. We are really pushing that.
1917. **Mr Irwin:** I apologise for not being here for all of your presentation. Will it be difficult to move away from the grant mentality and that mindset, given that resources are already stretched and that there is a skills gap? Will it not be difficult to arrive at that situation? Other groups feel that more grant aid is needed, not less. I think that this is all very good, and it would be great to see groups moving away from that mindset, but will it not be very difficult for them to do so?
1918. **Ms Trainor-Nagele:** Yes. The key thing that Arts and Business has always advocated is that private investment should never replace public investment. The two have to go hand in hand. We are very aware, particularly Brona who works daily with arts members, that there is a capacity issue. Brona and I have worked in those areas in the past and we know that capacity is a critical issue. That is why we are feeding our support to the sector. There are opportunities, so our support is very valuable in helping and guiding the sector.
1919. A lot of things can be done in simple ways. For example, philanthropy through individual giving is still really untapped by the cultural sector.
1920. Sometimes, it is just a matter of asking an audience for support; but people are very nervous about doing that in case they alienate their audience base. Through surgeries, we have guided organisations through the process. Brona gives one-to-one surgeries with organisations of all sizes.
1921. You can get quite big wins without a huge amount of work. Bruiser Theatre Company — and I think that you had Stephen Beggs here — is a really nice example. We worked with them by placing three people on their board. Stephen came through our link training programme, which was a strategic development programme. The board came to a lot of our masterclasses and went through our individual-giving

- programme. We had a full day's training with the board on fundraising. As a result, it did a very simple individual campaign and got quite big wins from it. So, there are opportunities. Without investment in the sector and the capacity, it is difficult, but not impossible.
1922. **Mr McMullan:** Who do you see as being responsible for driving all this? It seems to be going to and fro between Departments. Who are the main drivers? Who co-ordinates things, because co-ordination is the big issue here? We talk about funding and different things, but there has to be someone driving it. You do your bit, and then you tell me that it has to go somewhere else. Where does it go to?
1923. **Ms Trainor-Nagele:** I feel that DCAL is the obvious Department in which so much of this fits at the minute. We work through the Arts Council, so my personal opinion is that the leadership role needs to come from DCAL. However, DCAL has to engage with the other Departments that we talked about. I do not know if my colleagues agree with that statement, but I think that DCAL has to engage with the other relevant Departments. We talked about DETI and the economic drivers there.
1924. **Ms Stuart:** This is a common challenge and is not just for the creative industries. Responsibility for the tourism industry lies across two Departments; DCAL and DETI. We find it reassuring that there is a good relationship between DCAL and DETI and their two Ministers with regard to the arts and the cultural and creative industries. There is a recognition of how important the creative industries are to our economy. Also, from a cultural and societal perspective, having a vibrant arts and culture sector is so important to our well-being. For me, responsibility does not rest in one place; it rests across both Departments, and there is a good working relationship between them on the ground.
1925. **Mr McMullan:** When we talk about the use of indigenous talent in the film industry here, is the film industry holding us over a barrel? To me, we cannot seem to use our indigenous talent as other countries do.
1926. **Ms Stuart:** The film industry in Northern Ireland is growing, and we have seen more development in skills locally. Initially, we did not have the skills that we needed because we did not have the critical mass of the industry. I have been talking to a couple of the local production companies, and I think that the idea of internships needs to be explored because they are finding it difficult to get the skills needed in their industry. After that, keeping them here will always be a challenge, which is why it is important that, as our film and creative industries grow, we provide more opportunities for our young people — as they develop their skills — to have a career in Northern Ireland. We still have problems in that area, but there are things that we can do. We are now starting to create the critical mass for the industry.
1927. **Mr McMullan:** Finally, are we in danger of relying on corporate sponsorship to the point of sponsors dictating where the arts are held? I am talking about rural areas that do not seem to be getting their fair share of funding to promote the arts. In such areas, a lot of the arts come from community groups or groups that are struggling. The arts are more centred, as I see it, in the cities. Are we being dictated to by corporate sponsors?
1928. **Ms Whittaker:** You are right; the larger sums of money from corporate sponsors go to the bigger cities. However, as Michelle mentioned, JTI sponsors the Ulster Orchestra, and when that money came back it went to more local or regional areas — I will not say “rural” because Ballymena is not rural. When Patton sponsored the orchestra, the direct benefit that it wanted was for Ballymena and the surrounding areas.
1929. To answer another part of your question: this is a capacity issue. When Mary presented evidence to the Committee's inquiry into arts funding, the issue was raised. We offered sponsorship

- training in specific local councils to rural community groups. We were in Armagh; we met the Causeway Coast arts group, and we went to Craigavon and various other areas. We went to 59 organisations to offer introduction-to-sponsorship training. We said that it was relative to the size of the organisation. It was about trying to engage with the businesses that were on their doorstep to help them to support local arts products.
1930. We are also trying to recommend to the larger corporates with whom we work to work with the smaller arts organisations that do not have support. Although based in Belfast, organisations such as the Belfast Music Society do not have any full-time members of staff but can work with big organisations such as Barclay's Wealth Management and the Radisson hotel group and can attract investment. I think it comes back to a capacity issue in that smaller arts organisations are often run by people with other full-time jobs or other organisations to work with, and we are trying to help them skill up and bridge that gap in their knowledge.
1931. **Ms Trainor-Nagele:** With sponsorship, there is always the danger that you are going to be following the business objective and be dictated to, but we do not really see that as a trend, I have to say. In most businesses, there is now very much a partnership approach to sponsorship. It is not a matter of taking the money and running, nor is it a matter of the business dictating. There are some really nice examples of that.
1932. One lovely example is around Strabane, whereby a department store, Linton and Robinson, worked with the Alley Arts and Conference Centre which was trying to widen its audience for some of its visual arts exhibitions. The department store was having trouble getting people inside so that it could sell contemporary furniture. They linked up, brought an exhibition of contemporary art into the department store and displayed paintings around the furniture, creating a whole event around it. That really helped the small business, and it also helped the arts organisation. There is another nice example involving a restaurant in Strabane.
1933. **Ms Whittaker:** We just had a new sponsorship announced from the Alley Arts and Conference Centre in Strabane. Given the climate that we are in at the moment, it has secured £5,000 from a local café in a big retail park just on the edge of Strabane that has decided it wants to engage more with social media.
1934. It is a really lovely and very innovative project. The staff in Caffé Fresco will be performing a five-part mini-series which will be streamed on social media to try to increase the number of customers who engage with the pre-theatre menu. The aim is that it links with the arts centre and the customers; and the staff will get a chance to engage in an arts project. A big local theatre company, Cahoots NI, is going to train the staff. It will be professionally done and professionally filmed, in connection with Beam, which is a multimedia centre in Donaghmore. There is real partnership and collaboration happening; and I think that this shows that, regionally, there is real innovation happening with sponsorships as well.
1935. The arts organisation came to us with that project off its own back. The business owner said: "I want more Facebook followers; I want to be bigger on Twitter and I want my customers to know that we are as innovative and modern as that, and I think the arts is the way that I can do that". The business chose the Alley Arts and Conference Centre, which is a bit of a beacon when it comes to that side of things.
1936. **Ms Trainor-Nagele:** A lot of businesses are seeing that they have to increase their competitiveness and stand out from their competitors. These kinds of projects, as you can imagine, really engage in working with businesses. The projects are helping businesses to position themselves in a different way and are delivering much better results for them. As long as the approach is the collaborative partnership one that we are seeing as a trend, I think

- that it is really delivering for business. Businesses are seeing that too, which is great.
1937. **Mrs Hale:** Thank you for your presentation this morning. Mary and Joanne talked about paid internships. At the moment, who is able to offer a paid internship, and do you see a role for local businesses in sponsoring a cross-sectoral internship? Perhaps someone in the engineering skills sector could sponsor some of the cultural internship.
1938. **Ms Trainor-Nagele:** We are working very closely with the Arts Council on this as it also feels very passionately about the matter. Arts and Business is willing to lead on a pilot scheme. We put together a potential funding application through the Arts Council just last year. We are still exploring that possibility and we need to raise the funding for it. The opportunities that we have been looking at with the Arts Council are potentially through a trust and foundation; we are examining whether it is something that we can get a trust to fund and whether there is the potential to collaborate with another Department through the learning and education side of things.
1939. On the sponsorship side, many businesses are really focused on that and on growing young talent. There are opportunities, and we are willing to liaise with the Arts Council on piloting some fixed internships if we can do so. It is still in our plan for this year and we are working on it with the Arts Council, so we are keen to do it.
1940. **Ms Stuart:** It is a challenge for business. For example, on the science, technology, engineering and mathematics side, we are looking for businesses to provide some scholarships and work experience placements. You have got me thinking that there is maybe something that we can do to link internships with the STEM agenda to make that more creative, which is something that we have been talking about. I know that, with businesses, we are struggling to get finance to provide scholarships, because of the times that we are in. However, businesses understand that they have a vital role in getting the skills that are needed to grow the businesses. I will certainly take that away and look at creative internships and how we might get both. Taking the example of engineering, we could maybe have an exchange scheme whereby we get people from that area in with the creatives and then get creative offshoots.
1941. **The Chairperson:** Mary, the Committee plans to go to Scotland next week to look at Creative Scotland. What links has your organisation had with Scotland? What are your views on Northern Ireland being branded as a creative hub? Who might take the lead on such a project?
1942. **Ms Trainor-Nagele:** We have an Arts and Business Scotland office, so we have some quite good links there. Brona is leading on a new training programme for senior people in the sector, called Creating Futures. That is looking at the whole issue of strategic business planning, with best practice visits to different parts of the UK. We will take 10 cultural leaders out to Edinburgh to see what the similarities or challenges might be and how they can share information. That is the main way in which we are directly engaging with Scotland at the moment.
1943. A cultural hub is something that we talked about. We saw in the Hansard report that it is coming out as a theme. The key thing about a cultural hub is making sure that it does not become siloed. We talked a lot today about the need to cross-fertilise between sectors. I know that Joanne has some experience of cultural hubs through the likes of the Northern Ireland Science Park, for example.
1944. **Ms Stuart:** The science park has developed from the idea of a hub; we are just about to open the second concourse. It has been very successful in bringing together high-tech, biotech businesses that are a part of our knowledge economy, including the digital media element of creative industries. People get support just from being in the same place. If they go down to the

canteen to have a coffee, they bump into people and ideas are talked about. It certainly has a real buzz about it. You get economies of scale, and you can provide support in an easier way when you have everyone together. The important thing for me, though, is that the science park reaches out, to ensure that it is helping networks to develop, and does not become siloed. However, we have studios, Digital Circle and Digital Derry, so we have small creative and cultural hubs that I think are working. For me, it is important to make sure that they do not silo. However, I think Northern Ireland as a creative hub would be good and I think creating that brand around Creative NI would be a real benefit to us.

1945. **The Chairperson:** Who do you envision leading such a project?
1946. **Ms Stuart:** To be honest, I have not really thought of that.
1947. **The Chairperson:** That is part of the difficulty — the lack of collaboration within the sector and in government. Who will take the lead?
1948. **Ms Stuart:** I will give you an example. When the first Creativity Month was being discussed two years ago, I used the new social media stuff to quickly create a platform called Creative NI, just as a way to show how you could provide a platform that everybody could start to link into.
1949. Creating a hub in Northern Ireland does not have to be a big bureaucratic thing. There are ways of doing it within the existing structures, with some funding to help to develop some of that. If you decide that you will have a physical structure and create a physical hub, that is one thing, and it will involve property and management. A virtual hub can be done in a different way and does not need a huge structure around it, but you would still have someone to manage that. Those are my initial thoughts.
1950. **The Chairperson:** That was very useful. Thank you very much for your response and for coming here. No doubt, our paths will meet again.

21 June 2012

Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
 Mrs Brenda Hale
 Mr David Hilditch
 Mr Michael McGimpsey
 Mrs Karen McKeivitt
 Mr Cathal Ó hOisín
 Mr Robin Swann

Witnesses:

Mr Derek McCallan	<i>Northern Ireland</i>
Ms Karine McGuckin	<i>Local Government Association</i>

1951. **The Chairperson:** I welcome Derek McCallan, chief executive of the Northern Ireland Local Government Association (NILGA) and Karine McGuckin, NILGA's European officer. Thank you very much for attending and for your submission. The normal process is that you give an opening statement of up to 10 minutes, after which members will ask questions.

1952. **Mr Derek McCallan (Northern Ireland Local Government Association):** I note you said "up to" 10 minutes. Our opening statement will, hopefully, be shorter than that. We welcome the opportunity to provide additional evidence beyond the written submission, and we hopefully identified some of the key initiatives that councils can take to complement the very significant work that is being done on this island and throughout the UK.

1953. I also feel that it is appropriate to commend the Committee for going to Dundee and Edinburgh for fact-finding, benchmarking and to look at good practice there. It is really important that we look at what we can do with our colleagues in different jurisdictions and neighbouring areas and take the best of what they have to offer. It also, I presume, gives us an opportunity to export what we can do and to promote

Northern Ireland as a creative area, and I am sure that MLAs and councillors alike want to champion that. That was a very relevant and important visit.

1954. As members will be aware, the NILGA is the representative body for the present 26 councils, and supports their sustainability and development. To do that, we have to sustain local economies, which will become increasingly relevant after the review of public administration (RPA). Councils will have a statutory role in promoting community planning, including fostering the development of local economies. We are now beyond the mechanical questions — we are aware of a lot of the evidence, statistics and data. With the evidence now provided, we are in a position to review the current interventions, take stock of them, keep the best and align them to a contemporary route to promoting and sustaining the creative enterprises.

1955. Local government should be seen as an enabler rather than as a subsidy for the creative industries. That enabling role can take place in very local and diverse ways, depending on the region or subregion that one is in, and depending on the base of creative enterprises that are there. That enabling role of local government, in much the same way as other public sector bodies, is to ensure that the local economy is driven by the private sector and that a culture of self-help and self-sustainability takes place. That is absolutely key.

1956. My colleague Karine will briefly highlight two initiatives in which, at no net cost to ratepayers, a very significant development in terms of inspiration and orders, employment and revenue took place in an area that we both historically worked in and which you know quite well, Chair: the Ards peninsula. I hope that it will not take up too much time. It gives an example of a local and a

- transnational initiative that a council, with others, took part in.
1957. **Ms Karine McGuckin (Northern Ireland Local Government Association):** In Ards, we facilitated the creative industry as part of the role that we saw fit for the council that we were working in at the time. We decided to apply for a number of funds, one of which was the creative industries innovation fund (CIIF) and the other was a European programme called Leonardo. Under the CIIF programme, we decided to create a platform called Ards Creates, which is a discussion forum for craftspeople and creative people. It gives them the opportunity to place events on a website — it is a web platform — and to have discussions and forums and to be able to discuss and progress the creative industries in Northern Ireland. It also gives them the opportunity to export information on what they do. That attempt at facilitating the sector was very successful. If you go on the platform now, you will see that a lot of people have registered. It is a very useful tool.
1958. The other example is the sustainable craft network, which was a Leonardo initiative that involved Finland, Northern Ireland, Ireland, Spain and Italy. The aim of the initiative was to look at exchanging good practice in the creative sector, particularly in the craft sector. We felt that it was very important because it gave Ards, which is only the eighth-biggest local authority, quite a high profile; you do not need to be Belfast or Derry/Londonderry to do something significant. The initiative brought us a lot of publicity, information and good practice that we are able to implement in the borough.
1959. The key finding from that initiative was the handed-down skills that we have. We should never forget that we have a traditional industry in addition to the creative modern technology industry. We should not forget about crafts and trades; we should keep that alive because it is the bedrock of the whole industry. All the countries that we have visited have the same attitude: we should not lose the skills; we should build on them, keep them and develop them on top of the new ones that are coming on board. It is very important to keep that. It is something that people are traditionally very attached to; it is a big contributor to the creative industries. That was very important. There might be a phase 2 of that; I do not know yet. It was a very good example of countries sharing practice and information. It was very strongly linked to society and the way of life, which was very important. That should not be segregated in our thinking.
1960. The other important thing about that programme was that we were able to change the rules. At the beginning, Leonardo was only meant to bring an elected member and officers from one country to another to see what people were doing. We created a forum with practitioners, private industry and individuals, and were able to bring them on board. That is because they are the ones who are going to make the change; not us. I think that will be a very good way of bending the rules a little bit to be able to ensure that the private sector is the beneficiary and not us.
1961. I do not want to go any further in illustrating what we have done and what local government can do. We are a perfect platform to create these opportunities and that is what we should be doing, but the private sector should be the investor.
1962. **Mr McCallan:** We have an economic development subgroup within the Local Government Association. It is not designed to carry out the practice of economic development; it is to bring good practice. Without leaving our desks, we are drawing on experience of creative industry interventions in, for example, Wales and Colorado. The Governor of Colorado recognised just last month that the creative industries are the fifth-largest contributor to the local economy and have just outstripped security, defence and engineering. When you look at it in that vein, you see that, in Colorado, an intervention on procurement is securing local jobs in local areas over and above areas such as Milwaukee through their tender

- procurement exercise. The same is happening in Wales. It was in the media this morning.
1963. We can accountably identify ways in which we can sustain local businesses without grants. I was taken by comments made yesterday at the Victoria and Albert Museum by political counterpart Jeremy Hunt. He mentioned that one way to do that would be to have a media channel for the creative industries through which advertising would replace some of the public interventions required. I think that the principle of that at least is worth exploring.
1964. NILGA's comments included some assertions and recommendations that were offered respectfully. We just want to be part of whatever future interventions are taking place. We referred to a review of the existing interventions, and I am sure that you and your colleagues are aware that the Creative Industries Council carried out a review of interventions last June, I think. It was largely Anglocentric, but there is an opportunity to look at the totality of public sector intervention to see, as I said at the start, whether we could make a contribution and make sure there is a convergence of interventions rather than duplication of effort.
1965. Money is in everybody's thoughts and is the subject on everybody's lips. How do we sustain public sector interventions? Well, the Stone Age did not stop because they ran out of stones. There is a great way to be creative about this, whether it is through advertising, self-help, promoting, or getting contracts in America for municipal public art, as we did for a Comber-based art worker. That is the way to sustain the creative enterprises. There is great value in elected Members championing that point and recognising the value of those industries.
1966. I am very happy to take any questions, thoughts or constructive criticism from you and your colleagues.
1967. **The Chairperson:** Thank you very much, Derek and Karine. Your point about councils being the enabler for creative industries was well made. I see them as a key driver and delivery mechanism for the creative industries. Three of us in the room have been involved with Ards Borough Council, Karine, so we are well aware of the example that you cited.
1968. The point that was made to us, and it came across particularly in Dundee, was about the role that an officer in particular can have, or a very enlightened councillor, and how they can drive forward a concept. That became quite clear in Dundee in relation to Dare to be Digital, a concept that was supported by Dundee Council through its economic development department. There was also a comment made to me the other day when the Nest project was here — they are collecting items for the Cultural Olympiad. Again, it is really the point around having a creative arts officer and someone in a council who sees a project and can drive it forward and really bring it to life. In some councils, there may be an absence of that innovation. What can NILGA do to try to sell a product for creative industries through economic development and for those councils to see that there is an alternative where there is a gap or where there are redundancies through the general economic downturn?
1969. **Mr McCallan:** We can look in a very businesslike way at the transfer of creative resources across councils. In Wales, for example, a creative industries officer, who is employed by Cardiff, works on a commission basis in Aberystwyth looking at the natural resources, so we do not need to be precious about the location of the employment base. The opportunity exists to do that with the proposed 11-council model. Between now and 2015, an alignment of required planning and resources could allow people to work between areas. That requires working out, but rather than concentrating on the location of the resource, we should put the resource where it is needed. If there is expertise in a certain area — for example, crafts

- is big in Ards, and Belfast would have a range of diverse specialist officers — we could look to work on a commissioning basis, and that good practice could be learned rather than simply replicated. That is the case in Colorado, which, in population terms, is bigger than Northern Ireland.
1970. In respect of what NILGA can do, we will not create any kind of programme that councils will follow. We will offer that good practice as long as it is economically sound to do so. I mentioned the Wales example, and through some of the working groups, which will perpetuate through the review of public administration, those types of conversations have to turn into outcomes, not so much for the institutions, the councils themselves, but for the local economies that we purport to serve. Therefore, it can be done. It is very simple as long as the attitude is creative and accountable.
1971. **The Chairperson:** Do you see this as more than just about finances and funding?
1972. **Mr McCallan:** It is vastly more than just about that. It is about the value, not just the cost of creative industries. We talk a lot about the concerns that we have about manufacturing. We have leaders and advocates for the agriculture industry, and that is absolutely right. However, in the creative economy, you used the word “discerning” earlier, and if you have discerning elected members and advocacy officers, they can combine to create the environment for this creativity to flourish — the skeletal framework for it to happen. That need not necessarily be at an additional cost to the ratepayer or the taxpayer. Therefore, it is very important to look at the value of it and to look at the long term.
1973. In respect of our industrial heritage, we have Tyrone, mid-Ulster and Lisburn. In respect of our natural resources, we have the Ards peninsula and the Causeway Coast. In respect of digital media, we have Belfast and Derry/Londonderry. Those could all be foreign direct investment opportunities. I hesitate to say that because I think that elected members such as yourselves know that. It is about turning the rhetoric and the evidence into discernible action.
1974. **The Chairperson:** You mentioned in your paper the concept of a creative enterprise unit. Could you expand on that?
1975. **Mr McCallan:** Yes. It is about looking at the range of public sector bodies and officials engaged in direct or indirect intervention in crafts, creative industries, arts, etc. There is an opportunity to scope out what is required to audit, with a small “a”, not in an overly rigid sense, and see whether they could be aligned to a more 20/20 approach to creative enterprise intervention, rather than the organic growth that has happened over the past few years.
1976. That is not a judgement on any of the current initiatives or the people, but I stress that the public sector is required to be as businesslike as it possibly can. Perhaps a clinical and creative look at all of the current interventions could create a lithe, transferable suite of interventions and people who could move to the areas of greatest economic need and of greatest creative opportunity. They would not be defined as an enterprise officer for arts; they would be defined as someone or some organisation that is determined to ensure that creative enterprises of all types flourish in that area. There would need to be processes, but the outcomes are so much more important than who employs them and what those processes are.
1977. **Mr Ó hOisín:** Thanks for the presentation, folks. One of your assertions is that councils are proactive in their role in respect of development. I think that those of us with experience of local government know that that is personnelled — or, as the Chair said, perhaps councillor-led — development. In a number of areas, that is simply not happening, and has not happened. I suppose the uncertainty over RPA has perhaps caused that, in that we have had a number of years of stop-go, stop-go stagnation, and will probably

- have another couple on the back of that as we head towards the new council dispensation.
1978. I am just wondering how NILGA sees its role, first of all in tying together some of the council clusters, which are not natural units. That is part of the issue. How can that be done by tying a number of the 11-council models together? I am thinking particularly of all of the clusters along the north coast, along with Derry and Strabane and right round to Larne, or even to Belfast, for that matter. Obviously, a central role of NILGA is to see whether that can be done without people being parochial on the one hand, or precious about their own place on the other. Where do you see your role in bringing councils together and actually making them proactive on a wider cluster basis and also a subregional basis?
1979. **Mr McCallan:** To answer your question directly, NILGA's role is to look beyond the number of councils and beyond the boundaries and to look at the interventions that assist local economic players, who may be creative enterprises, who frequently do not know what council area they are in. In other words, they require service provision from whomever. Notwithstanding that, local matters — local identity matters, and that is something that the creative enterprises actually draw on to promote their products and services, so there is a need to square that circle. An example of that is the stop-start that you rightly refer to in terms of local government numbers. Straddling that throughout were a number of cross-border bodies, which looked at what their intervention could mean in terms of inter-regional activity. They were able to keep working, whether there were proposals to re-cluster, de-cluster, or change the numbers.
1980. Our role is to highlight that political leadership within local government has got to, and does, offer the sector opportunities to look at the service and the economic outcomes of these things. It is a difficult issue, but we are very keen over the next few years to have an eye on the future and on where local government is going, and to make sure that we actually move away from some of the processes and some of the numbers. The way in which we do that will be borne out only over the next critical 24 months, when the mindset will have to alter and we will be looking at councils with more responsibilities. It is important to be local, because constituents demand it, but it is also important to be corporate. That is going to be a cultural issue that we want to promote and develop.
1981. **Mr Ó hOisín:** That is exactly my point. That mindset has to change. I have sat on a number of the tourism partnerships and one of the cross-border groupings, and they all do good work in parts. However, I think there is that uncertainty about regional belonging, identity, the product in the area and how it can best be delivered. I am not sure that the models that exist currently are necessarily the models that we will need further down the line. That is just an observation.
1982. **Mr Hilditch:** You are very welcome. It is basically about delivery. You touched upon that in some of your comments, Derek. In my constituency, the Larne Enterprise Development Company (LEDCOM) and Carrickfergus Enterprise deliver economic strategies for those councils. In those complexes, there are small to medium-sized enterprises. They are well used by the creative industries and house many of them locally. There has been some question in the past few months about creating another tier of delivery between Invest NI and local councils. Do you see creating another tier as an option? From an outsider view, do you see that mechanism as sitting there, just needing to be brought into play more?
1983. **Mr McCallan:** That other tier would perhaps look at the transfer of certain functions. If that were cost-effective and had been business-proofed — in other words, that those interventions could be better served locally with a central managing agent — that would be very similar to the Scottish model. As long as it was cost-effective, and an economic viability exercise were done — less

- about jargon and more about what would happen if this structure was created; for example, it would put more money on the ground, create more creative but accountable actions, and deliver more for commercial ratepayers — yes, we would have it. Our policy work has been to encourage the displacement of some functions to local authorities, as befits any contemporary stable society. Whether there are 26 or 11 councils, or 22 in Wales, we want a relationship with central government that is the best fit for the mechanisms.
1984. **Mr Hilditch:** But you would not want to create anything that is too bureaucratic, so that the person on the ground sees various tiers that they have to get through to get to an end goal. You would not want to overload it. It is about getting the balance.
1985. **Mr McCallan:** It is about getting the balance. In the transition from 26 councils to the proposed 11, because of how the political struggle is exercising people, there is an opportunity to take a look at the whole system. As long as we are clinical and creative about that, it will create opportunities.
1986. It really is a key issue. The sustainability of local economies should be enabled by local authorities. You cited a model such as LEDCOM. That is a perfect example of a contractual and transactional relationship, and it is a semi-private organisation. That is something that should and will be explored. There is a prime opportunity to look now at the whole product of public sector intervention in economic development in a dispassionate way that does not justify the existence of any organisation but rather looks at the outcome and results all the time.
1987. **Mrs McKeivitt:** Thanks very much for your presentation. On page 3 of your submission, you identify the key challenges currently facing the sector. It refers to the proficiency-based skills gap in the fashion and textiles sector. In your view, is enough priority being given to all sectors within the creative industries or is priority given to the highest growth areas, for example, the digital sector?
1988. **Mr McCallan:** My colleague Karine gave an example of how some of the artisan trades, whether that is woodturners or glass workers, and so on, are not high growth sectors. However, if those skills are transferred and handed down, the same as in agriculture, they are going to be incredibly important in certain local areas in maintaining tourism and web-based purchases. I honestly would not be able to define what proportion of investment should go there, but the example in Toledo, Spain, was a good one. Perhaps Karine can amplify that to try to answer your question.
1989. **Ms McGuckin:** That was just an example in the creative sector; there is no particular issue about emphasising one sector over another. At the end of the day, it depends on the make-up of the area. Some would be more suited to certain areas and some will not. For example, in Toledo, you have a huge leather industry around the craft industry. There is also a steel industry, which does not exist here. So, it all depends on what suits the area and what makes it uniquely able to realise private market gains — what makes it that little bit different so that it will attract investment and people to buy the product.
1990. That was just an example of the key challenges faced and the skills required. However, the skills are local — they are born in a particular area and are further developed. Some skills are dropped, but others are developed, and that was one such example. It is, again, all about the handing down of skills and their survival, and making sure that, if you have them, you maintain them.
1991. The same applies in the fishing industry, for example, where traditional boats are maintained and refurbished so that they can be kept as part of your heritage because it contributes to tourism. So, it is all about twisting together the strengths and skills that you have to make sure that, at the end of the day, you use them in a manner that will favour your own area.

1992. **The Chairperson:** We obviously welcome your response on behalf of NILGA, but the Committee was disappointed by the lack of responses from councils generally. As was remarked on a couple of occasions, only four of the 26 councils responded, which does not reflect well on councils. I suppose that we can assume that some councils are doing a lot to support the creative industries and others are not, but that may not truly reflect what is going on the ground. I am not sure how you would encourage councils to become more engaged with even the work of the Assembly. Getting that information back would give us a much better overview of what is really happening on the ground. Maybe you could encourage council officers and members to become more engaged with our inquiries. The information that they could provide is invaluable to us.
1993. **Mr McCallan:** We do that, but sometimes we do not get the optimum responses from councils, either because their resources are used up in firefighting or they are suffering from consultation fatigue. One way that we are trying to address that is through the Forum for Local Government and the Arts. Now, I realise that that is only one component of, as has been said, a range of creative enterprises. We would like to look at that afresh. I think that the Minister of Culture, Arts and Leisure will attend an event at the MAC at the tail end of next week.
1994. **Ms McGuckin:** It is on 28 June.
1995. **Mr McCallan:** The event's purpose is to look at what the Forum for Local Government and the Arts can do. It is a combination of arts officers and elected members, and requires a little bit of sustainable investment. So, we are looking at that because a dynamic intervention of its type would lead to better responses. People have said that there is such a geographic, cultural and traditional range of elements in the creative economy, and we need that evidence from the ground. One of our jobs is to draw that evidence together. By accident rather than design, we are able to speak from a position of having knowledge through experience. That is because this is a sector about which we are collectively and purposefully very passionate. It does not always follow that, at any level, you will get universal purpose and passion, but we will try.
1996. **The Chairperson:** Thank you. Karine, as the European officer, will you tell us specifically what you do and whether you have come across any opportunities that are perhaps not being taken up by local councils here?
1997. **Ms McGuckin:** As you remarked, the take-up of European funding is very different from one area to the other, and some are very proactive. It can be because some people do not have the necessary resources to take it up. However, the opportunities are there, and it is all about being imaginative in what you propose. There are a number of opportunities under CIIF, which is not European-funded, and you have ERASMUS, Leonardo and other programmes to tap into. There are cross-border opportunities as well with INTERREG, and, in the next round of European funding, we are looking at making sure that the sector is well provided for.
1998. I look at the opportunities in each sector, and, if there is an opportunity, I distribute the information to the councils. Depending on the councils and knowing their make-up, I will probably tailor one opportunity to a council through some of the tours that we have developed in NILGA, such as the EU knowledge bank. If there is an opportunity for councils to apply under the creative industry criteria, the information will be passed on, and I will assess development if there is definitely potential to gain from that opportunity.
1999. My role is also to make sure that I develop the knowledge of elected members and champion some of the European funds to make sure that they act on behalf of councils in Northern Ireland as a whole. I am trying to build the capacity of members to make sure that, if there is an opportunity, they will harness it, champion it and fight

the cause of Northern Ireland. There is definitely a lot of work in capacity-building, information-sharing and one-to-one meetings with people whom I know will be able to progress some of the initiatives.

2000. **The Chairperson:** I thank both of you once again for coming this morning and for your input into our inquiry.
2001. **Mr McCallan:** No problem. We want to give you, as Chair, the Holstee manifesto, which was done by a global creative industry group in 2009 and has spread to here. It has become a poster campaign. I would have got a proper professional version of it, but it would have cost me £69, so I printed it out on the internet. It says that life is about the people you meet and the things you create with them, so go out and start creating. That does not have to be a serial notion. Creative industries are for everyone. They are not for some sort of elite; they include people who make spades or whatever. We want to nurture that and do so in partnership. I will leave you with that, and perhaps your officers could copy it. When you are tired or demotivated, read it. I hope that does not sound too patronising.
2002. **The Chairperson:** Thank you very much.

28 June 2012

Members present for all or part of the proceedings:

Mr William Irwin (Deputy Chairperson)
 Mr Dominic Bradley
 Mrs Karen McKeivitt
 Mr Oliver McMullan
 Mr Cathal Ó hOisín
 Mr Robin Swann

Witnesses:

Mr Adrian Arbuthnot *Department of*
 Ms Sharon Lawlor *Education*
 Mr Russell Welsh

2003. **The Deputy Chairperson:** I welcome to the Committee Adrian Arbuthnot, Sharon Lawlor and Russell Welsh. I ask that you make your presentation.

2004. **Mr Adrian Arbuthnot (Department of Education):** Thank you very much.

2005. The Department of Education has an important role to play in supporting the Executive in achieving their key priority of strengthening the local economy. The Department aims to raise standards in schools and deliver improved outcomes for all pupils. We seek to help every learner fulfil his or her potential in achieving qualifications in chosen subjects and taking their place in the world of work.

2006. Underpinning the education system in our schools is the revised curriculum, which applies to all 12 years of compulsory education. The curriculum incorporates creativity in all aspects of teaching and learning from year 1 onwards. There is greater emphasis on developing the skills pupils need, including the fundamentals of literacy, numeracy, and information and communication technology (ICT), as well as other skills, such as creativity, problem-solving and working with others. For example, at foundation stage, which is years 1 and 2, pupils should be able to develop their creativity through imaginative play. At post-primary level, in the area of

learning for life and work, the employability strand includes creativity and entrepreneurship. Creativity, therefore, is central to the curriculum, and runs through all 12 years. Its principal focus is in the context of the “being creative” strand of the thinking skills and personal capabilities framework, which is a statutory element of the Northern Ireland curriculum from foundation stage through to Key Stage 3.

2007. The work of our schools is closely aligned to the needs of employers and the economy in general. The revised curriculum has a strong emphasis on instilling entrepreneurship and a knowledge and understanding of the world of work. Through the theme of learning for life and work, pupils learn about career opportunities, and can engage with programmes that connect the classroom with the workplace. The role of the careers officer is a central feature of how schools prepare their pupils for life beyond the classroom. Through contact with the careers officer, schools can access labour market information and pupils can make informed decisions on subject choices.

2008. The Department provides funding for a number of third-party delivery partners, with the aim of increasing pupils’ engagement with employers and work. Many of the initiatives promote innovation, creativity and entrepreneurship through challenging and exciting experiences linked with the world of work. One example is the Company Programme delivered by Young Enterprise Northern Ireland. A short time ago, pupils from Wallace High School won the 2012 competition with a fashion entry that involved getting interactive design input from customers and selling online throughout the world.

2009. The promotion of science, technology, engineering and mathematics (STEM) subjects is important for rebalancing our

- economy and future economic growth. The Department recognises the need to invest in STEM subjects in school-based education, particularly in maths and physics, areas that can help support the growth of the creative industries. The Department's STEM interventions appear to be having a positive impact, with an increasing number of pupils choosing to study STEM subjects.
2010. Before concluding, I must also refer to the introduction, from 2013, of the entitlement framework for pupils at Key Stage 4 and post-16. The aim is to ensure that all post-primary schools offer a wide range of applied and general qualifications so that pupils from the age of 14 can access a broader balanced range of courses and pathways relevant to their needs and interests. In short, schools must put the needs and interests of their pupils first when it comes to their curricular offer. That development will better facilitate pupils to pursue their career aspirations and not be limited by what a school may choose to offer. Through reforms such as the revised curriculum, STEM and the entitlement framework, the Department is helping to develop creativity in our young people and open up their horizons to career opportunities in the creative industries and in other sectors of the economy.
2011. **The Deputy Chairperson:** Thank you. There has been a recurring theme in our inquiry that there needs to be a greater emphasis on understanding the skills required for the creative industries at primary and secondary school level. As you said, the Department has been trying to deal with that. Can any more be done, because there seems to be a big gap in that area?
2012. **Mr Arbuthnot:** Sorry; could I clarify: there is a big gap in what?
2013. **The Deputy Chairperson:** There needs to be a greater emphasis on understanding the skills required for the creative industries at primary and secondary school level. We have found that gap during our inquiry.
2014. **Mr Arbuthnot:** It is a general role for the Careers Service, which is run by the Department for Employment and Learning (DEL). Careers officers form a very important link between employers and the schools, and they will bring information that is relevant to young people in making their career choices. All schools are very heavily engaged in participation in business education partnerships and in industry-led initiatives of one sort or another. It is very important for employers from the creative industries to get involved more and more with those sorts of initiatives so that young people can hear at first hand about the opportunities from people who practise in an industry. Careers officers make that important link, but schools and employers form partnerships and promote career opportunities in the sector.
2015. **The Deputy Chairperson:** Do you feel that the curriculum is in place to deal with that?
2016. **Mr Arbuthnot:** The curriculum has a very broad-based approach and has cross-curricular themes that last from the beginning right through to Key Stage 3. It promotes learning for life skills, entrepreneurship and creativity as well as the important key subjects of numeracy, literacy and ICT. All those themes run through the curriculum and make it very effective.
2017. We do not dictate to schools how they deliver the subjects; it is down to school leaders and teachers to determine what is best for the pupils in their school and create the opportunities that will fulfil their obligations under the curriculum. However, we have a very broad-based, effective curriculum that teaches the cross-curricular skills that we are all looking for in our young people.
2018. **The Deputy Chairperson:** The digital sector has repeatedly reported that there is a skills shortage in that sector. That seems to be an issue.
2019. **Mr Arbuthnot:** I do not think that we can get to the stage where we, as a Department, dictate to young people

- what subjects to study. That would be totally wrong and counterproductive. It is important that young people are engaged at a very early stage of their school career by people who know the industry and can give proper insights into the challenging opportunities there.
2020. There is a heavy onus on employers in the industry to make sure that they promote careers opportunities effectively with young people. That will inspire young people to make the sort of careers choices that will lead to the qualifications that your industry sector needs.
2021. **Mrs McKeivitt:** Thank you for coming to the Committee to give us your short presentation. I want to touch on something that the Deputy Chair said. In our creative industries inquiry, it was suggested that there could be a gap of knowledge for those who might have an interest in going into the digital sector or the gaming sector or going from ICT to a university course. With the times that are in it, there is a lack of jobs, but, in the Programme for Government, our Government has seen an opportunity where creative industries can increase tourism and job potential. It has come across that there seems to be a gap between careers teacher information and knowledge of what exams might be needed to guide the pupil and the parent, who also has a say about what the child is going to study.
2022. I should declare an interest, as I have children who are at the age where they are trying to pick subjects, others are doing exams, and there are children coming at the other end of it. There seems to be a gap in the careers end where they are not given the knowledge that maths and ICT might be needed to go into the digital field or into the creative industries. The children are getting the expertise from the teaching end, but, from our inquiry, it seems that there is a big gap of information and knowledge from careers advisers that maths might be needed or they are encouraged to take on maths.
2023. **Mr Arbuthnot:** I would be disappointed if that is the case. Our Department works very closely with the Department for Employment and Learning to develop the effectiveness of the Careers Service and careers officers. If there are shortcomings, we would want to address them. An effective careers service is absolutely essential to ensuring that young people can fulfil the potential that I talked about at the beginning of my presentation and can take their place in the world of work. I cannot overemphasise the importance of careers advice, and, if there are deficiencies or shortfalls there, you can rest assured that my Department will raise them with the Department for Employment and Learning and seek to address those shortcomings.
2024. **Mr Swann:** Thanks for your presentation. Our education system is concentrated on STEM at the minute because that is where we see Northern Ireland's economy going. We were being told that the emphasis should include the arts, therefore, becoming STEAM. Does the Department intend to look at that across the curriculum so that we can extend that creativity through learning from years 1 and 2 throughout the entire 12 years?
2025. **Mr Arbuthnot:** My first thought is that, if everything becomes a priority, nothing is a priority. As far as STEM is concerned, the subjects were picked out by the Executive and the STEM strategy has been endorsed by the Executive. If that needs to be broadened out in any way, it would be important for the Minister of Culture, Arts and Leisure to go back and argue the case to expand the scope of STEM to STEAM. However, I wonder whether including arts is absolutely necessary because I think the STEM subjects provide the building blocks for so many career opportunities, including the creative industries. I am thinking of maths, physics, technology and engineering. Is the Committee absolutely sure that those subjects are not adequate to meet the needs of the creative industry sector and whether it is important to change the policy?
2026. **Mr Swann:** As Karen said, we were hearing that STEM is enough as the

- building block but that there needs to be the arts as well and more emphasis on the creative branch because, when it comes to computer gaming and app design, there is as much now in being able to draw as there is in the hard science and the hard computer programming behind it. By concentrating on the STEAM subjects, those who are involved in the creativity side of the arts subjects are maybe not getting enough support or emphasis through your current curriculum.
2027. **Mr Arbuthnot:** I know that I am repeating myself, but the STEM strategy has been endorsed by the Executive. So, if the Committee feels strongly about expanding STEM into STEAM, the case would have to be made, including demonstrating where STEM is deficient for the needs of the creative industry sector.
2028. **Mr Swann:** I am not saying that STEM is not meeting the needs; it just needs a wee bit more put into it.
2029. **Mr Arbuthnot:** A bit more nuancing?
2030. **Mr Swann:** A bit more nuancing at that finer end of it.
2031. **Mr Russell Welsh (Department of Education):** Adrian mentioned the employability strand in the revised curriculum, and the Department recognises that extra activities need to be delivered to assist schools. We referred to that in the response from the Minister to your Committee. The programmes that are aligned to that are generic in nature and are designed that way specifically so that they cover all sectors of industry. Adrian used the example of the Young Enterprise Company Programme, and there are other examples. Young Enterprise runs an Industry Masterclass programme. This year, it asked schools to develop their ideas on an app development as a business concept, which went through to marketing and selling. That is part of the creative industry. Last year, the format was setting up a music festival as a business idea. Our business partners are very conscious of and keep themselves informed of the current job trends. Young Enterprise has specifically designed its programmes on that over the past two years in relation to that. That was simply because we are identifying those areas as having the greatest job potential. By being generic, we can cover everywhere, but we focus on areas of need.
2032. **Mr Swann:** When you see the need for development to create a job in a certain area, how quickly can your curriculum respond to meet that need?
2033. **Mr Welsh:** The creativity issue is completely embedded in the curriculum. The programmes that I am talking about are additional programmes that the Department funds based on the curriculum but outside the curriculum.
2034. **Mr Swann:** Is it up to individual schools to do that?
2035. **Mr Welsh:** The programmes are advertised to schools, and schools can elect to have them delivered to them. We can respond fairly quickly. For instance, the programmes that we mentioned are delivered annually and change each year. So, we can respond fairly quickly, but it is embedded in the curriculum the whole way through. It is up to teachers, as Adrian said, to determine what resources to use to deliver and what way to deliver. That depends on the teacher, but it is flexible.
2036. **Mr Swann:** Do the same schools pick up those additional projects all the time? Is there maybe a lack of ability in schools to apply? From talking to headmasters in my constituency, I know that enough paperwork comes in daily to keep a school running from 9.00 am to 3.00 pm without picking up the additional subjects. Sometimes, the schools that are most in need of the additional programmes fail to apply.
2037. **Mr Welsh:** We are proactive in that regard. The answer could be yes, because schools that engage with the programmes realise their benefits, and they will always keep applying. We instruct all our delivery partners, including Young Enterprise, Sentinus and others, to target schools that are,

for instance, in areas of social need and schools that are not engaged. Sentinus has been developing an escalator measurement over the years that it uses to rate schools that engage with it from 1 to 5. For example, in relation to STEM, schools that have a 5 are totally engaged and are using STEM, and schools that only have a 1 are not engaged. We asked Sentinus and Young Enterprise to target those schools. So, we try to spread it out to make sure. We cannot afford to fund every school; that is not the idea of this. However, we try to make sure that every school gets the opportunity.

2038. **Mr Arbuthnot:** I will add to that. At the higher level, the Department's underpinning school improvement policy is Every School a Good School. Certain characteristics of a good school relate to the leadership of the school and the quality of the teaching. One of the other pillars we look to see in a school is good connections with the local community and local employers. It would be a characteristic of a good school to make those connections with the local community, including employers.
2039. **Mr D Bradley:** I apologise for being late. Sorry for missing your presentation. I hope that I do not cover any ground that has been covered. I am sure that the Deputy Chair will let me know if I do.
2040. Among the various stakeholders in the creative industries, there seems to be a view that ICT in schools does not match the requirements of the industry, that the nitty-gritty of programming is not covered in schools and that the emphasis is on what might be called the more superficial aspects of ICT. In my area, in Newry, a private digital hub provides lessons for schoolchildren in the harder aspects of programming. Some parents are sending their children for those lessons on Saturday mornings. Is there a shortfall in the curriculum in so far as the programming needs of the industry are not being matched by the provision in the curriculum?
2041. **Mr Welsh:** We would not say that there is a shortfall, but we are very aware of
- the point you make. We are represented on the DEL ICT action group, in which those issues have been rehearsed and well discussed. As Adrian said, the curriculum here has been designed specifically to provide flexibility. ICT is embedded; it is a mandatory, cross-curricular skill. The ICT qualification offered by the Council for the Curriculum, Examinations and Assessment (CCEA) at the minute, at GCSE and A level, is recognised as being a good qualification. It suits the needs of the majority of pupils. It does not suit the needs of those pupils who want to go into computer sciences or the needs of the industry, which wants system and software developers. Computer sciences and software development already exists in the curriculum. The qualifications are already there. If schools want to teach that to their kids, they can. We fully accept and recognise that more needs to be done to try to encourage pupils and make them more aware of the potential and availability of future jobs. I am sure the argument has been rehearsed to the Committee: the potential is there, and, for some time, the software sector has been crying out, saying that, if it could get more systems managers and developers, it could expand at a faster pace than it is at the minute.
2042. As part of the work we do on the DEL ICT action group, we are trying to develop more awareness programmes in the Department to encourage more kids to take up ICT computer systems. CCEA has already been looking at that. We asked CCEA to look at the idea of developing a new GCE qualification. It has come up with a GCE, which is an A-level qualification, in software and systems development. That is part of the expanded portfolio of applied qualifications that Adrian briefly mentioned when talking about the entitlement framework. The qualification was developed after comprehensive research with stakeholders. That included employers, Invest Northern Ireland and a number of representatives from the ICT sector. The main areas of content in the qualification relevant

- to computer science and programming are object-orientated development, event-driven programming, systems approaches and database concepts. That is what we have been told the ICT sector requires. It is being rolled out to schools this September, with a view to them starting to teach it next September. The first young people to come through that will qualify in 2015.
2043. We are developing awareness programmes with our business partners that we can roll out to schools to encourage more kids to take it on. We do not agree that the curriculum does not match, but we agree that more needs to be done to make children aware of the opportunities that there are in computer sciences.
2044. **Mr D Bradley:** There seems to have been a history of mismatching between the ICT curriculum and the needs of various institutions. I remember at one stage that the programming language that pupils learned in school up to A level was not the same language that was being used in the universities. The universities were saying that it would have been better had the students had come with no programming language rather than having to unlearn the one that they had learned and learn a new one. That is in the past, and I hope that it has been resolved.
2045. **Mr Welsh:** I hope so.
2046. **Mr D Bradley:** I want to recall some of the points that various witnesses have made to the Committee. One of them mentioned the need for students' awareness and knowledge of programming to begin in primary school. Have there been any moves in that direction?
2047. **Mr Welsh:** The flexibility exists in the curriculum. Sentinus, which is one of our providers, provides a programming programme for primary schools, on which schools can choose to enrol. As part of the work that we are doing now, we have asked them to look specifically at a module that will provide some simple programming for primary 7 children and make them more aware, rather than the format in which it exists at present, which is as part of an activity that they already do.
2048. Sharon can say something about C2k. The facility is there for schools to be able to do that. We are trying to make the teachers aware as well as the kids.
2049. **Ms Sharon Lawlor (Department of Education):** C2k has a number of software titles available, such as Scratch, Game Maker and Mediator, which support game development. Some lower-level programming development is also available through C2k. The new C2k contract kicks in from September, which will have a range of services and a new "front end" with a lot of back-end stuff coming in. Teachers and pupils will come into an interface called MY-SCHOOL, which will have a lot of products linking into it.
2050. Some of those products will be in what we would call an app store. I was talking to the director of C2k yesterday about the more sophisticated programming languages. You talked about the mismatch with the universities. We need to be careful about which ones we pick up, but it is C2k's intention, should there be a need for a number of schools to have certain products to develop more sophisticated programming, to put them in the app store, but they would need to know what those products are. That is, maybe, where the schools need to be kept informed by the industry. There may be a bit of work to be done in order to bring those two minds together, but C2K already provides basic applications and so forth.
2051. **Mr D Bradley:** So, you are saying that the facility is or will be there to place greater emphasis on programming, but that there is no compunction on staff in primary or secondary schools to do that; and that we have to provide greater encouragement for them and, maybe, underline the fact that future jobs in this particular sector will be dependent on students having those skills? There is a need further up the education ladder, as Mrs McKeivitt said, for the Careers

Service to emphasise that particular aspect.

2052. I do not know whether it is directly related to this issue, but I see that Mr Arbuthnot is the director of qualifications and standards. Last week in London, the Education Secretary talked about reverting to O levels and abandoning GCSEs. Has that created any reaction in the Department?
2053. **Mr Arbuthnot:** We were taken quite by surprise at the lack of communication from England on the issue.
2054. **Mr D Bradley:** There is nothing unusual in that, but anyway. I think a lot of people in London were also surprised.
2055. **Mr Arbuthnot:** Our Minister has to take account of any changes that are imminent in England. However, I do not think that the O level proposal has been firmed up. We have to wait and see what exactly Secretary of State Gove has planned, whether he will bring forward proposals and how they will meet the needs of the people in Northern Ireland.
2056. **Mr D Bradley:** I would have thought that it would be a retrograde step to revert to two separate examinations. We saw the disadvantages of that in the past and combined them into one examination. Hopefully, we will not go down that road. However, I understand that you are not in a position to —
2057. **Mr Arbuthnot:** I can assure you that our Minister will take his decisions in accordance with what he feels is best for the local school population.
2058. **Mr D Bradley:** I have no doubt about that. Thank you very much.
2059. **The Deputy Chairperson:** Thank you very much. It was good to have you here. It has been very useful.
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28 June 2012

Members present for all or part of the proceedings:

Mr William Irwin (Deputy Chairperson)
 Mr Dominic Bradley
 Mrs Karen McKeivitt
 Mr Oliver McMullan
 Mr Cathal Ó hOisín
 Mr Robin Swann

Witnesses:

Mr Mark Nagurski *Digital Derry*

2060. **The Deputy Chairperson:** Mr Nagurski, you are very welcome.
2061. **Mr Mark Nagurski (Digital Derry):**
 Good morning. Thank you for having us along. At this point, I am the official digital champion for Derry and run the Digital Derry programme. I will start with a brief overview of Digital Derry and tell you what we do, the kind of companies that we work with and the trends that we have seen. From the evidence that we provided in December, I will pull out some of the key proposals that we think would help to energise the sectors that we work in.
2062. Digital Derry started about two years ago. Initially, it came out of conversations within the Londonderry Chamber of Commerce and Derry City Council. They were projecting forward five to 10 years and looking at various industries that they thought had potential. Retail and tourism were, obviously, up there, but they felt that digital had some legs based on the young age of the population in the city; for example, the City of Culture, the BT infrastructure projects, Project Kelvin, and so on. They commissioned an initial strategy document that looked at the sector as a whole, trying to find if there were any digital or creative industries in the city and what they were doing, which then led on to a steering group that has turned into the Digital Derry project.
2063. Digital Derry is made up of about 30 professionals from the sector. They cover everything from local companies to stakeholders from the university, the regeneration company Ilex, the Chamber of Commerce, and so on. Obviously, we work very closely with other organisations like Digital Circle, Invest NI, the University of Ulster and the Department of Culture, Arts and Leisure (DCAL).
2064. Our focus is very much on the creative industries and the digital spectrum. Specific industry sectors are film, television, animation, music and music technology, a little bit of software development, but certainly more towards the creative end of that. We feel that that ties in very neatly with some of the larger regeneration plans in the city and it capitalises on some of the bigger events; for example, the City of Culture next year. Particularly, we have started to develop a theme, or a smart specialism as we call it, that lends itself towards what we call the cultural technologies. We are looking at how digital technologies and software lend themselves to the creation, promotion, and distribution of traditional artistic and cultural output.
2065. The evidence that we provided in December said that there were roughly 100 digital content companies in the city. At this point, it is about 127. So, in the past two years, we have seen 47 new commercial organisations come into being. Some of them are fully fledged companies that are staffed, trading and making a lot of money, and some of them are very early doors. The one thing that they all have in common, realistically, is that they are, almost to a man, chronically underfunded, which is one of the areas that we are looking at in detail. It would be worth predicating all my evidence based on the fact that we work almost exclusively with start-up companies. We work with people who

- are in the first, second or, sometimes, third year of business. Therefore, the kind of issues that we see are consistently around funding, access to staff and creative talent.
2066. Thankfully, we are able to take a very hands-on approach. Realistically, the day-to-day operations of Digital Derry fall into two camps. First, we work directly with the companies. Somebody will approach us with an idea or a company that they have started, and we will work directly to help them raise initial finance, find premises, hire new staff, or whatever it might be. Secondly, we work to promote the sector in general through marketing initiatives, whether that be online or through events. A case in point is that we are hosting what will be Northern Ireland's largest digital event this year, which takes place in Derry during the last week in August. We are expecting 500 to 600 industry delegates alongside 8,000 to 10,000 members of the public for four days of digital festivities, which I will happily explain if anybody is interested.
2067. With regard to the proposals that we see as beneficial to the industry, we are very much focused on early-stage companies. The size of the Northern Ireland economy and the simple population point points to the fact that we will be able to support smaller companies more effectively. In our mind, that means that, realistically, we have to grow those companies from scratch. In the past 18 months to two years, we have seen a real shift from a position where there were very few people coming forward looking to start new things to the point where we would meet regularly with five or six potential new companies every week. That has been a real change in emphasis. Some of that is directly related to the economic downturn in that the jobs that people used to apply for simply do not exist any more. If they cannot apply for the jobs, many of the graduates that we produce are quite interested in starting new projects, and it has never been easier to do so as the barriers to entry for a least starting something and having a go
- are incredibly low. There are, obviously, stumbling blocks in turning those 47 new projects that we have seen come across our door into actual viable companies that employ people. However, we do not see those companies taking on large numbers of staff, and that comes back to finance.
2068. A specific point at the top of our agenda is an absolute focus on intellectual property (IP) creation, as opposed to service provision. It is incredibly straightforward for someone to set up as a web designer, a graphic designer or whatever it may be. They need very little more than a business card and a website. In fact, business cards would be fairly optional. That side of it is quite easy. In general, however, those companies are not very scalable and they depend on a local market that is contracting. We would like to see a much greater emphasis being placed on the creation of intellectual property which, by its very nature, will be an export product from day 1.
2069. It goes almost without saying that — it has become redundant at this point — we simply do not have the technical software development staff in Northern Ireland. They are simply not there. A back-of-an-envelope calculation will tell you that there are currently 1,500 students in the north-west, between the university, the North West Regional College and Letterkenny Institute of Technology (LYIT) immediately across the border, who are studying some sort of creative industry or software development course. That is a very rough number, but if you consider that those are the full-time students, you have to assume that 500 graduates are coming out every year in some sort of related discipline. At the same time, there are jobs that are unfilled right now and have been unfilled for months, and, in some cases, years. There is a disconnect between what is being taught and learned in our education system and the types of qualifications and experience needed by the companies that we are producing.

2070. Realistically, we are fairly poor at showcasing the work that we produce. Obviously, geographically, we are not based in the middle of a media cluster of the kind that you might find in London or New York, so we have to do a bit more work to give the products and companies that we produce an international profile. One of the simplest ways in which to do that is to capitalise on big events that are already happening, such as the Titanic centenary or the UK City of Culture, which automatically give us an international spotlight. We should be looking to put our creative and digital industries at the very heart of that. That may involve using innovative public procurement to do interesting things in that space, but we really need to take advantage of those showcasing opportunities.
2071. Similarly, we need to jump on a plane a little more often and go to the places where the business is being done. We have had a great effect working with the likes of Belfast City Council, DCAL and Invest NI, running showcase events at major conferences such as South-By-Southwest in Austin, Texas, to which we took 13 companies this year. Those kinds of events give us an opportunity to showcase alongside companies from all over the planet.
2072. All that said, the elephant in the room is finance. The companies simply do not have enough money. The digital end of the creative industries in particular has the potential to grow exceptionally quickly. From concept to marketplace, earning money can happen in a matter of months. However, although it is very simple to start something and develop prototypes or build a website, it is very difficult to take the next step, which means staffing up, going after the market aggressively and, hopefully, generating revenues.
2073. We have come to identify three stages in that process. The first is to find ways to allow our creative people a little bit of space in which to build something interesting, such as prototype, a new app, website or piece of software. I cannot applaud highly enough funding mechanisms such as the creative industries innovation fund. It is fantastic; it is exactly the kind of thing that we should be doing. However, it is very difficult, through those sorts of mechanisms, to allow, shall we say, “founder managers” to take advantage of that. Generally speaking, it is very difficult to include founder salary costs in any sort of public funding, which means that they are locked into doing client work and have to outsource the creative work that they could be doing themselves. That initial seed prototyping money, typically well under £20,000 to £25,000, is small beer, but there is a high failure rate.
2074. The next phase — something that is completely absent in the Northern Ireland economy — is where angel investors step in, as they do in other cities and economies. In our experience, that investment is typically around the £50,000 to £100,000 mark. It is where a company makes the transition from a nice idea, a good prototype and lots of interest, to hiring staff, generating revenues and selling its product abroad. That is the gaping chasm that most of our companies are not crossing. If they do not cross it, we cannot get to a situation where they are able to sell, compete, generate revenues and, obviously, employ more staff. Typically, that would be fuelled by private equity investments or perhaps debt investment, but that is simply not the case. We need to look at that in great detail.
2075. I will finish with three points, the first of which is that the creative industries have enormous potential. It suffers from the fact that digital is almost omnipresent at this point. It crosses so many industries and so many sectors that a typical company might fall under the remit, structurally, of an organisation such as Digital Circle, NI Screen, the Arts Council, Invest NI, or, in many cases, all of the above, and so it is very difficult to put concerted effort from the public sector into supporting those companies. There is huge potential, and we should invest more heavily. We

- are no longer core-funded, and we are making our way through Digital Derry with a mixture of some public support, but primarily corporate sponsorship that we raise from companies in the region.
2076. The second point is that there should be a focus on entrepreneurship. The creative industries innovation fund is exactly the kind of thing that we should be looking at, but we should also be much more interested in working with the private sector for private investment. We have set out our stall to help create 100 new companies in Derry by 2015. It is a back-of-an-envelope calculation, but 100 companies with £50,000 of seed money each is £5 million. I guess that the public sector in Northern Ireland will not write us a cheque for £5 million, although I would appreciate it, in which case we need to figure out where that money will come from. The answer, for us, is probably the private sector. We need to find ways in which we can work with the private sector and encourage private investment at a very early stage.
2077. The final point is that we should market exceptionally aggressively. We have a good story that we can talk about. We have high-profile events that we can leverage to our advantage, and the public sector can absolutely play a vital role in allowing and creating those showcases for our creative industries in some of the bigger campaigns and bigger high-profile events. The three points are that we need to treat this seriously, focus on entrepreneurship and private investment, and market what we have and what we create as aggressively as we can. Are there any questions?
2078. **The Deputy Chairperson:** Thank you very much. The paper suggests that the main need for the digital sector is support for early-stage ventures. Who should lead in starting discussions about that?
2079. **Mr Nagurski:** It is not an easy question to answer. As I said, literally dozens of organisations are involved in some way, shape or form. It is maybe best to illustrate it through an example. We have started working with a company that has just come out of the university and was a final-year university project. That company allows people to automatically generate music videos using software. Basically, you put your music in, and it spits the music video out. The question is: does that fall under NI Screen's remit? Will it fall under a new music industry strategy remit? Is it for the Arts Council or for Invest NI? The answer is that, at the moment, there is no clarity there.
2080. Digital crosses all those sectors, and, being hugely pragmatic, I do not think that any of the organisations will step out of the way and let somebody else take the lead. Fundamentally, it will come down to collaboration and co-operation across them. However, from a departmental point of view, whether it is DCAL or the Department of Enterprise, Trade and Investment (DETI), if the funding is there, the organisations will happily work together to make sure that it gets to the right companies. With the creative industries innovation fund, the Arts Council and NI Screen took the lead but also had Digital Circle on the panel. We participated in the panel, and those organisations were very happy to work together because the money was there and they knew the companies that they needed to get to.
2081. **The Deputy Chairperson:** Would the Scottish model of having a single body promoting the creative industries work here?
2082. **Mr Nagurski:** I honestly do not know. With a purely pragmatic hat on, I do not know if we can take the genie and put it back in the bottle. We already have all these organisations, and nobody will put their hand up and say, "I would like you to put me out of a job." I do not know if it is viable. I am also a strong believer that a general creative industries body, while a good thing for the overall agenda and remit, will not be able to get its hands dirty with the companies.
2083. It would have to take a high-level view. Given the absence of private investment in the sector, somebody has to get their hands dirty, work with the companies and know the people who are coming through. Organisations such as Digital

- Circle, NI Screen and Digital Derry are well placed to do that, so I would be hesitant to remove that layer. Even if there were an overarching creative industries body per se, it would still need delivery agents on the ground working directly with companies and entrepreneurs.
2084. **Mr Ó hOisín:** Recently, the expansion of digital companies in the Derry area — some 40-plus — has been phenomenal. How critical to that development would be the delivery of Project Kelvin or a proposed extension of the Science Park to the Fort George and Letterkenny sites?
2085. **Mr Nagurski:** Project Kelvin is a tremendous positive. Will it have a direct impact on the number of start-up companies? Probably not. My position is that it is a fantastic potential attractor for larger foreign direct investment (FDI) projects, and some local companies may grow into it. However, I do not think that it is fundamental to the number of start-up companies. People have not looked at Project Kelvin and said that they must now start a business. It is similar with the Science Park, where there will be tremendous opportunities. The expansion of the R&D base is a fundamental issue not only with the extension of the Science Park but with the growth of the university in the city. If more smart people are working in Derry, it will naturally lead to more projects.
2086. **Mr Ó hOisín:** Many digital companies operate in the Science Park in Belfast. Do you agree that that is a natural extension to the Derry site, if Fort George gets approval?
2087. **Mr Nagurski:** Absolutely. I am a big supporter of the Fort George programme. On the Ebrington site, we have earmarked a couple of buildings for a creative industries hub; that is in the Programme for Government. We have to play both cards: the R&D hard technology software development side and the more creative end of the spectrum. We need both elements to be able to create the type of cultural technology companies that we feel are most likely to come from us.
2088. On a more general point, we are often asked why things should be done in Derry. Northern Ireland is not a big place, and beyond here, nobody really sees any difference, and it is a long commute between the two cities. I will give an example. One or two Derry organisations were successful in the first iteration of the creative industries innovation fund. For this year's round of funding, we ran workshops in the city. We brought the Arts Council up to Derry to meet some companies, and we ended up with about one third of the total funding allocation. That tells me that, even if something is happening that is based in Belfast, we need local representation. That can easily be done through events and visits, and the Northern Ireland Science Park could be a linchpin. That would allow the hub-and-spoke model to operate effectively. Given the size of the population, it makes perfect sense that the majority of programmes, events, and so on, take place in the Belfast area; I have no issue with that. However, we need a way to tie that in and knit it together. It is incumbent on organisations based in Belfast to find a way to reach out and work with Derry-based organisations for delivery. The Northern Ireland Science Park could be one way to deliver that.
2089. **Mr Ó hOisín:** Of course you know, Deputy Chair, that things are done in Derry because of the talent there.
2090. **Mr Swann:** Mark, you spoke about creativity and intellectual property. Is there enough support in Northern Ireland to protect patents, and so on, and to go to a worldwide market?
2091. **Mr Nagurski:** "Support" is probably not the right focus. Awareness is more of an issue. Most young companies are simply not aware of the steps that they should take, so education has a role. However, it is not the sexiest of topics. For a young start-up company making video games, protection, licensing, and so on, are not top of the agenda. They just want to make great video games.

- So there is an educational role. I think it would be a smart move for us to get in and start talking about those kind of issues sooner. There is probably also a gap that Invest NI can fill to a degree, which would allow people to take the first steps down that path at no substantive cost. Obviously, when you really get into intellectual property protection, it is an expensive game to be in, so we could possibly figure out a way that the first couple of rungs on that ladder could be taken quite easily, whether through advice clinics or seminars. That is already in place. We need to examine how we can take that a step further just to move them along that path so they take it seriously.
2092. **Mr Swann:** You mentioned Invest NI and you talked about angel investor funders in almost a 'Dragon's Den' scenario, when they ask whether somebody will lend £50,000. What sort of outreach or approaches have been made to funds or international money-men to come in and set up a bank like that?
2093. **Mr Nagurski:** Not a lot. I can speak only from my experience. Invest NI has a co-investment fund and works with organisations such as E-Synergy and Crescent Capital, which can and have invested heavily in Northern Ireland businesses. However, we are essentially now at the stage of saying that we have a proposition and we want to take it to the international market, and if we want to start 100 companies that need £50,000 each, the question is whether it is easier for us to go out and look for £5 million, or for those 100 companies to go out individually. Patently, it will be easier for us to go out and raise £5 million than for 100 people to raise £50,000 each. Scale that up to Northern Ireland scale, and I think there is an argument there.
2094. The problem is that there is no specific reason why those investors should come and look here. We have world-class talent, but you will also find that in New York, London, Dublin and San Francisco, and they will look in their back yard first, before they make the effort to come here. We have to be exceptionally proactive. We have to go out and meet these companies and investors; we have to go out and make our case and do more than the next city, region or company is willing to do. I think we can do that on a Northern Ireland basis if there are the mechanisms and willingness to work with private money in that way.
2095. When companies come to take investment from the likes of E-Synergy or a co-investment fund in Northern Ireland, the crux of that is that it is co-investment, so there has to be private money being brought along with it. If there is not enough private money being brought along with it, they cannot take advantage of the co-investment that is available. Once you cross that chasm, the mechanisms we have in place are absolutely fantastic. You will not find very many places in the world where you can bring in an investor for maybe half the amount that you need and the public sector will step in and match that. It does not happen in very many other places, and when we talk about those models to people in New York or San Francisco, they are absolutely blown away by it. What we are not doing is selling that. We need to go out and aggressively doorstep and get into meetings, pitch this and sell it.
2096. **The Deputy Chairperson:** I note that the University of Abertay in Scotland has recruited an intellectual property specialist. Is that something that would be useful in our universities?
2097. **Mr Nagurski:** The University of Abertay is a very interesting case. What it has done with gaming has not come overnight, but it is phenomenal, and it is held up as one of the examples that other regions, cities and universities should be following. The short answer to the question is yes — the long answer is that I am not sure whether we are quite there yet. We have a good throughput of companies, but the more pressing concern is that you will never have to worry about an IP battle until someone is selling something. We need to get our companies selling something and employing staff first. For me, that

means investment at an early stage, typically of £50,000 to £100,000. It takes them from “I have a great idea” to “I have a company that is selling a product that is based on a great idea.” That is the gap that we cannot cross consistently enough. There are plenty of fantastic examples of companies that are doing exactly that, but they are the exception rather than the rule. If we want to do this on any kind of scale, we need to figure out how we cross that chasm first. Once we do that, then the point is well made.

2098. **The Deputy Chairperson:** Thank you very much for your presentation and for coming.

5 July 2012

Members present for all or part of the proceedings:

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

Witnesses:

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

2099. **The Chairperson:** I welcome our witnesses; thank you very much for coming to the Culture, Arts and Leisure Committee. Brian, would you like to introduce your colleagues? The meeting will follow the usual manner of an opening statement followed by questions.
2100. **Mr Brian Dolaghan (Invest NI):** Thank you very much for inviting us this morning. Martin Adair is a manager in our creative industry sector; I am director of the creative industry sector in Invest NI; and Tracey handles a lot of the film, TV and digital areas in the organisation. Hopefully, there is some knowledge here. Some of us are relatively new to post, so the depth of knowledge might be somewhat scant, but we will try to answer whatever we can for you.
2101. **The Chairperson:** At the end, if there is anything that, on reflection, needs to be followed up, would you be happy for the Committee Clerk to contact you for further information?
2102. **Mr Dolaghan:** That is grand.
2103. As I said, thank you very much for inviting us to address the Committee. We are delighted to meet and engage with you on behalf of Invest Northern Ireland. We commend you for undertaking this extensive inquiry into the creative industries in Northern Ireland.
2104. My colleagues and I recognise the importance of the creative industries and the wider cultural and arts sector in the development and growth of our economy. It is imperative, now more than ever, that we play our part to collaboratively support the achievement of a stronger economy, through fostering continued co-operation between not only the arts and business, but the public, academic and private sectors. Although the creative industry is a significant sector in its own right, it also has a positive and uplifting impact on the way that other business sectors innovate and compete. A culturally rich and creative society entices the best people and best businesses to come to Northern Ireland, encouraging further investment and adding to the social fabric of our society. Companies such as New York Stock Exchange, HBO, Chicago Mercantile Exchange, CVS Caremark, Allstate, Universal Studios, Liberty and Citibank are good examples of exactly that. Since the beginning of our last corporate plan in 2008, Invest NI has invested over £67 million and leveraged £325 million into the Northern Ireland economy through 120 different company investments.
2105. Our success continues apace in the screen industries, both television and film, with leading production company HBO shooting both series 1 and 2 of its highly successful fantasy drama, 'Game of Thrones', here. I am pleased to say that, following pre-production, HBO will, this month, commence shooting series 3 of that in Belfast's Titanic Quarter studios and other locations throughout Northern Ireland. I must mention at this point the three wonderful local movies that premiered at this year's Belfast Film Festival: 'Good Vibrations'; 'Whole Lotta Sole'; and 'Jump'. Invest Northern

- Ireland, through the hard work of Northern Ireland Screen, provided some £9.2 million of financial assistance to HBO to secure the pilot episode and the first three series of 'Game of Thrones'. That assistance will generate in excess of £63 million in direct spend in the Northern Ireland economy and, very importantly, the opportunity for Northern Ireland companies to gain new skills and demonstrate their undoubted capabilities as one of the largest film studio entities on the globe. In addition to the economic impact, that type of activity greatly enhances the profile of Northern Ireland on the world stage. Indeed, no other production has ever exposed so many images of Northern Ireland to a global audience, including the north coast, Castleward, the Mourne mountains and Ballintoy, to name but a few. In short, positive and beautiful images of Northern Ireland are now being seen on television screens across the globe; a fact that was probably unimaginable some 15 years ago.
2106. In our written submission to the Committee, the Department of Enterprise, Trade and Investment (DETI) and Invest NI acknowledge that the creative industries in Northern Ireland represent a dynamic and convergent sector for the economy that has real potential for growth. The economic strategy for Northern Ireland has identified innovation, research and development and creativity as key economic drivers for future growth. In recognition of that fact, DETI is leading the development of an innovation, R&D and creative strategy and action plan, due for publication before the end of the year. In driving a shift to higher added value and productivity levels, it is evident that the sector can make an important contribution to the Programme for Government aim of rebuilding and rebalancing the Northern Ireland economy. However, the creative industry sector faces a number of growth challenges, as highlighted in our submission. Invest NI believes that those can be addressed through a co-ordinated and collaborative approach to sharing knowledge, insight and ideas from industry, academia and government.
2107. We look forward to the Committee's final report on the sector to further inform and assist in the shaping of the way forward.
2108. **The Chairperson:** Thank you very much. I will just pick up on your last point. You highlighted that there are challenges and recognised the need for a co-ordinated and collaborative approach. You may be aware that the Committee visited Scotland. In Scotland, a single arm's-length body now has responsibility for the creative industry sector, giving it, I suppose, very much a single focus. What are your views on having that in Northern Ireland?
2109. **Mr Dolaghan:** There are a couple of points to make on that. Over the past 20 or 30 years, in business and government, I have gone through quite a number of what we call mergers. The truth is that there is no such thing as a merger; there is, generally, a takeover. My concern with having a single organisation is that you are bringing two very diverse operations together; one that is focused quite strongly on economic return and the other on culture and arts. Both are equally important. My concern is that, if you bring those together, one would dominate, and we would lose some of what we already have. That is not to say that what we have is perfect by any means. I feel that better co-ordination of what happens between the existing entities is needed. I can give an example of what we in Invest NI have just done, which is to create a single point of contact for businesses, large and small, throughout the economy. That does not give the answers to everything, but it has the knowledge to signpost people. So, it is a single point, through NI Business, for any business to contact. Whether that is through the Department of Agriculture and Rural Development (DARD), the Department for Employment and Learning (DEL) or the various programmes available in our organisation, businesses are signposted to what is most appropriate for them.

2110. I think it would make sense to explore that model rather than trying to bring very different cultural organisations together. I have seen, from the short time that I have been in this area, that the dynamics in the various arts and parts of this arena are very different. For example, as we mentioned, bringing in a large production company such as HBO is the right strategy for the film and TV arena. It allows the skills to develop and service that, and we see that more and more: as the post-production on the first, second and third series has increased, so more and more have come into Northern Ireland. That is not necessarily the case, for example, in the digital sector, where it is not a big anchor tenant driving that forward. It is about taking those people into foreign markets and displaying their wares, essentially. In the music industry, it is different again. They are all quite different and I think that to try and push them into one arena is not necessarily the right thing to do. I fear that some of them would be lost in that. That is a personal opinion, but those are my initial thoughts.
2111. **The Chairperson:** That is welcome. The focus for Invest NI is very much on bigger enterprises. I think we have become quite aware of the fact that, within the creative industries, there are individuals who have a creative idea and need to develop and move that forward, so their needs are different to some of the other industries in Northern Ireland. What can Invest NI do to assist those creators?
2112. **Mr Dolaghan:** First, I might take exception to the fact that we are focused on larger industry.
2113. **The Chairperson:** Perhaps that is a perception.
2114. **Mr Dolaghan:** Absolutely, and we certainly deal with quite a lot of large industry, but about 80% of our offers go to microbusinesses. The vast bulk of our volume of activity is with small-scale micro- and local businesses. The ones that get a lot of publicity because they are the bigger quantum offers are often the big international organisations, but a lot of our work is at the smaller end with smaller businesses.
2115. We have recognised particularly some of the challenges around some of the R&D programmes and how they can help at the smaller end, and whether the model fits well. Some of the challenges are around the fact that we can only be a proportionate funder in any of those instances, and for a lot of the early-stage businesses, there is no capital there at all. There is nothing for them to use.
2116. As a result of that, we are in the process of putting in place a continuum of venture-capital type funding, for the very smallest business right through to the largest. That has its pros and cons, but there are a number of other programmes that we have put in place. There is one called Propel, and another is the creative industries innovation fund, which the Department of Culture, Arts and Leisure (DCAL) has funded for the past couple of years. That has been essential to us at the small end, and we have worked very closely with DCAL in being able to drive some of the smaller business start-ups through some of that funding. I welcome those and I think they are very beneficial.
2117. We have not got it right yet. There is still some stuff that I think we have to do in recognising what funding is needed by people who take the step out of their own business and start something else. The issue of most of our funding being proportionate is one that I think we have to address, but I would also say that another element is the mindset of Northern Ireland business. A little bit has to change in that, around the idea of having to own 100% of the cake, which has been a historical issue for them. We are trying, through the Halo network and other approaches such as mentoring, to educate businesspeople about the benefits of having a bigger cake with your slice being slightly smaller, and the fact that it still adds up to a better position for them. We recognise that there are still some challenges in that and we are trying to address those with colleagues in DCAL and elsewhere.

2118. **Mr McMullan:** These days, there does not seem to be a lot done to promote smaller, traditional, craft-based businesses. In a way, they could be overlooked because of the digital side of things. What sort of help is there for those, especially in rural areas? Is that done through councils and Invest NI, or is there a better collaboration there? There does not seem to be a big collaboration between Invest NI and councils, for example, or maybe there is but I do not know about it. Do you see where I am coming from?
2119. **Mr Dolaghan:** Absolutely. The Local Economic Development (LED) moneys through Europe have been introduced for the past four or five years and we have been working very closely with councils to bring forward propositions, particularly from businesses at the smaller end of the scale and in craft areas, to develop the local, subregional economies. Frankly, success has been varied in those proposals coming forward, and an element of that is because, again, matched funding is required from councils. Because of their slowness in coming through last year, we decided that we would half-fund the council element to allow some of those proposals to happen. So, now the funding is 50% European, 25% us and 25% council. That has engendered quite a lot of proposals coming through from councils in various areas in business skills and business support. We are open to receiving those, and our local office representatives work with council representatives to develop and bring forward some of those proposals. Martin will comment on some of the things on which we have dealt directly with Craft Northern Ireland.
2120. **Mr Martin Adair (Invest NI):** Over the past number of years, we have put in excess of £200,000 into Craft Northern Ireland to help stimulate craft industries in Northern Ireland. It is talking to us about further support packages. That has slowed somewhat because the chief executive of Craft NI is stepping down and is to be replaced. However, we are working closely with Craft NI in that area.
2121. **Mr McMullan:** Will you give me a list of the council that you have worked with?
2122. **Mr Dolaghan:** Absolutely.
2123. **Mr McMullan:** I would like to see the uptake in my council area of that 75% funding offer to smaller industries.
2124. **Mr Dolaghan:** It is very much up to councils to bring forward proposals for funding within that regime, but that is certainly available under those banners.
2125. **Mr McMullan:** I recently looked through two councils' corporate plans taking them into 2015, by which time there will be RPA. Nowhere in those corporate plans does it mention anything that you are talking about. I asked you that question because I will now go back to them and ask them why that is not incorporated. There is no word of it at all, not even in their economic strategy. That is worrying. If you are doing it, are the public hearing about it? I do not think so.
2126. Finally, you mentioned filming going on in Ballintoy: why are the glens left out of that?
2127. **Mr Dolaghan:** My apologies; I could not cover every eventuality. That was remiss of me. *[Laughter.]* That was a deliberate mistake.
2128. **Mr McMullan:** Let me tell you that the third series is taking place in the glens this year. That has not been announced yet.
2129. **Mr Ó hOisín:** It has now. *[Laughter.]*
2130. **Mr McMullan:** I would like to see the glens in there, because they are losing out on quite a lot of tourism credit that other areas are getting for it. We even had to tell the Minister lately that the glens were losing out.
2131. **Mr Dolaghan:** OK. A point well made; absolutely.
2132. **Mr McMullan:** Will you come back to me on that thing about the councils?
2133. **Mr Dolaghan:** Certainly, yes; I will give you some information on the LED.

2134. **Mr McMullan:** Good man; thanks very much.
2135. **Mr Ó hOisín:** Thanks, folks, for your presentation. As we near the end of the inquiry into the creative industries, we are looking back to see what the submissions were in total. Remarkably or otherwise, and regardless of what sector they are from — crafts, film, music, games, training or whatever — there has been a similar refrain across the board. It has not, necessarily, been that positive. We found there to be a lack of capacity, a lack of critical mass and insufficient scale. It is all very well to talk about subregional economies and what have you, but we have to look at the bigger picture of fields of co-operation, networking and the sharing of talents and skills. Particularly because of the insufficient scale here, we were comparing apples with oranges with the Scottish example, but we need to look at how it fits best in respect of North/South, all-island and east-west economic co-operation in the creative industries. Have you looked at that level of co-operation and co-ordination?
2136. **Mr Dolaghan:** You are absolutely right to say that scale is an issue across a lot of these industries. It is an inherent problem across the UK and Irish film and TV industry in general, in that it is slightly different, I understand, from the European model, where they fund an awful lot on their own balance sheets. Historically, the UK film industry has funded, on a stand-alone basis, each movie as it comes along and then dispersed the profits from that. So, it does not have the same ability to grow its balance sheets and fund activity beyond that. There are lots of challenges from a scale point of view. We have tried to recognise some of the limitations of the scale issues: for example, the recent investment in the new studios at the Titanic Quarter has been part of building additional infrastructure to allow some of the attraction to happen that then allows smaller businesses to feed into that. It goes back to the point of creating a catalyst — a draw factor — and then trying to develop businesses around that.
2137. A lot of the digital content businesses and the mobile applications are coming from individuals from universities, and that is a challenge for us. There are, maybe, four or five big global players in this arena and the rest are individuals who come out and try to develop something. I go back to the creative industries innovation fund, which has been very useful in trying to help some of those individuals, albeit at a maximum grant of £10,000 for each individual. We will look at that to see whether it is an appropriate level or whether it should be more. Collaboration is the way forward; collaboration across common platforms and across common interests. We have to provide the facilities and the capability to allow that collaboration to happen. The nature of what they do is very diverse, and creating scale in that is a challenge for us. We are trying to put some of the infrastructure in place, and we are looking at some hubs that might work as regards clustering to bring some of those talents and skills together around a centre, and that is happening at the same time.
2138. The industry, by its very nature, will always be small, as is most of Northern Ireland's industry. We have to try to co-ordinate better our support to that industry to allow those who have something to bring it to the fore.
2139. **Mr Ó hOisín:** Do you agree that it would be impossible to provide sufficient scale to some sectors?
2140. **Mr Dolaghan:** Yes. That reads across all Northern Ireland industry. We recognise that, in some areas, scale, just by the nature of who we are and what we are, will not be attained across every industry sector. That is why we have to look at putting our resources into those areas where we feel that scale can, potentially, be attained and, hence, maximise the economic benefit for Northern Ireland.

2141. **Mr Ó hOisín:** And do that hand in hand with consideration of the equalisation of things on the island or across these islands, particularly on tax credits.
2142. **Mr Dolaghan:** Yes, both North and South and east and west, and tax credits is a good example of that. The Minister and others put quite a bit of pressure on last year around getting the tax credits in place, which would be similar to the North/South position. It would put us on a level playing field there. The indications are that that has been met very positively. As you know, there is a draft out at the moment that will, hopefully, come in next April, which will be of great help to the film industry as we sit at the moment. There is a lot of connectivity between us and our Scottish counterparts and those in the South with regard to what is happening there. A lot of interaction goes on between us all.
2143. **Mr D Bradley:** DCAL said that there is no need for an overarching creative industry strategy document, yet stakeholders who have given evidence here have said that there is quite a tough, unco-ordinated effort in the creative industries with a duplication of services and a lack of clarity around mechanisms and funding arrangements. Do you think that those issues can be addressed in policy funding and other delivery mechanisms?
2144. **Mr Dolaghan:** As I have outlined, there is a very diverse set of business types within the wider banner of the creative industries. A single strategy might be detrimental, in trying to force certain approaches to industry sectors that do not necessarily lend themselves to that. What has been discussed, which is to try to create a common framework, is probably the correct way forward at the umbrella level. However, as I said earlier, we could definitely look at improving the single point of contact — if I can call it that — for the business or the individual out there so that there is one place that signposts people to the appropriate support, advice or guidance, and that can be on a single number or a single portal that would be very accessible to the public. That is the issue, and we found that that was a key issue in the wider business arena outside of creative industries; there were lots of people doing lots of things across local councils and across government, but there was very little co-ordination of that. By trying to bring in this front end service, NI Business, and the enquiry handling service behind that, we have tried to create a common signposting methodology for people so that they can contact and be directed to the appropriate place for their business at that point in time. The proof of that pudding will be in the eating over the next couple of years, but I think that a similar model would be beneficial for the creative industries and the general creative sector.
2145. **Mr D Bradley:** Before you came in we heard a briefing on an Assembly research paper on creative industries in Scotland and the Clerk gave us a report on the recent visit by the Committee to Scotland. Their experience seems to run counter to what you are saying. They have become more centralised and smaller, and they seem to be more successful as a result of that. Why is it that you seem to be of a different mindset?
2146. **Mr Dolaghan:** I am not 100% au fait with the Scottish model, but my understanding is that it actually came out of a shrinking of Departments in the Scottish Government in the first instance. A lot of the different Departments that handle various parts of that were brought together. My understanding is that the SNP did a lot of that when it took over in Government there, and that drove some of the things closer together to start with, as opposed to their being across a number of Departments, as it is here at the moment.
2147. **Mr D Bradley:** They joined together the Arts Council and Scottish Screen, and shed quite a few jobs in doing that, so they had a leaner body as a result. It seems to have been successful, whereas you said in response to the

Chair that mergers are usually takeovers and you are wary of that.

2148. **Mr Dolaghan:** That is my experience. There are two points. First, efficiencies can, absolutely, be driven out. In fact, we have gone through that exercise ourselves as an organisation to try to restructure and drive out duplication of effort, and we have done that. There is no doubt that you can achieve that. My greater concern in this instance, though, is that I think that the economic agenda and the cultural and arts agenda are very different. If you force the two of those together, my worry is that one would get lost in the other. I do not know which one would come out on top, but I think you might lose what you currently have by driving the two together for the purposes of, in theory, an economic efficiency agenda. That agenda should be looked at, but it should not be the be all and end all. You could kill the wider thing, which is our whole social and cultural piece, on the back of a purely economic agenda or a purely arts and cultural agenda.
2149. **The Chairperson:** Clearly, the success depends on how it is handled and whether or not it is a hostile takeover.
2150. **Mr Dolaghan:** Well, I will go back to the point. Even the friendliest mergers that I have come across — I will take our own organisation, which was, essentially, three or four organisations that came together 10 years ago. The truth is that, culturally, it took about three years for us to get into the same place, and one culture dominated; I am not going to say which it was. PriceWaterhouse and Coopers were two separate organisations that I was involved in previously. When they came together, it was deemed to be a merger, but it was a takeover and one culture predominated. I think that is what happens; that is the outworking of those sorts of situations. There are instances in which those work, if businesses are doing a very similar thing and have a very similar outlook, but, for example, as you can imagine in this case, a lot of the stuff that we try to do is driven by economic return and economic benefit,

and there are a lot of pounds in there. That is the key driver. My worry is that, if that approach was adopted in all of the arts and leisure arena, you would get the wrong decisions. You would lose something that is very important in our social fabric, our tradition, our tourism message and all of those things, because it is not directly linked to pounds, shillings and pence, to use the old terminology. That is my concern about trying to bring all of that together under one roof.

2151. **Mr D Bradley:** Many of the people who come in here from the arts insist on telling us the value of the arts in monetary terms. They can tell us how many bed nights the arts bring to Belfast, what that is worth, and how much we get back for every pound we invest in the arts. They are very much aware of pounds, shillings and pence and the effect that the money invested in the arts has on the economy as a whole and how it contributes to the economy. You seem to have a view that, because of your own personal experience in a number of organisations in which you worked, all future amalgamations are going to be the same.
2152. **Mr Dolaghan:** No; what I was talking about was organisations that come together that have different cultural positions to start with. In my view, you would be bringing those types of organisations together in this instance. Even when you compare the screen film industry, which is very much a commercially focused industry, with an arts production or an arts festival, you can see that they are very different animals. I stand to be corrected here; it is just an opinion. My concern is that they are quite diverse.
2153. **Mr D Bradley:** There is obviously an arts element and a money-making element to film-making. There is also a money-making element to the traditional arts, theatre and so on, because although they are subsidised, they have to generate a certain amount of income themselves. So, they do not have not mutually exclusive agendas, as you seem to think.

2154. **Mr Dolaghan:** I am not saying that they are mutually exclusive, but when you have limited resources, you end up putting those limited resources into the areas that will probably give you the maximum short-term return on your moneys. From an arts perspective, that is not necessarily what is in our best interests in the medium or longer term and, as a result, it is not necessarily best for society, the tourism message and all those things that are part of the long-term — not short-term — game that we are playing. That is the point I am trying to make. It could and might work, but I think there is some risk with it.
2155. **Mr D Bradley:** There is also some risk with leaving things less co-ordinated than they can be.
2156. **Mr Dolaghan:** That is right, and that is why I think we have to do more on that. I think that bringing together a single point of contact for individuals would be a big step forward. In the past two or three years, there has been better co-operation between DCAL and DETI; that has increased massively. We have lots of examples of where we have done various export-driven activity together, such as South by Southwest in the States, and various things where we have jointly funded and taken people out there. That has been very successful and worked well. I think that it is about building on those types of things. Again, that is a personal opinion.
2157. **The Chairperson:** Obviously, it is still very early days for Creative Scotland, but my view is that the success that it drives could be because of the corporate branding and the singular focus. Again, it is very early days to see whether you are right or they are right.
2158. **Mr Swann:** Thanks for your presentation. Is there sufficient engagement at the minute with the National Endowment for Science, Technology and the Arts (NESTA)? I know that previous collaborations have failed. Is that part of the change in culture that you were talking about?
2159. **Mr Adair:** No, there is not sufficient engagement at the moment in Northern Ireland. That is something that Minister Foster has raised on a number of occasions. She asked DETI to get directly involved with NESTA and the Technology Strategy Board (TSB) to the extent where their chief executives have planned visits to Northern Ireland in the next couple of months. NESTA ran a hyper-local programme recently, and I am quite pleased to say that a local company from Craigavon was one of the winning companies. We hope to engage further with it in the near future.
2160. **Mr Swann:** What is causing the blockage? Is it cultural or philosophical?
2161. **Mr Adair:** NESTA used to have a local representative in Northern Ireland. I cannot be absolutely sure of the dates, but I think that situation changed in 2006, when it retracted to having the Scottish representative look after Northern Ireland. Until then, there was a level of engagement, but since 2006 or 2007, that level of engagement has dropped off significantly. I can say that the Technology Strategy Board and NESTA are keen to foster links with Northern Ireland, and through DETI, we hope to do that over the next couple of months.
2162. **Mr Swann:** So, is that a failure on this side? Is it a DETI failure?
2163. **Mr Adair:** I would not be able to answer that question.
2164. **Mr Dolaghan:** It could always be improved.
2165. **Mr Swann:** Are the Northern Ireland Executive not being proactive in furthering that engagement?
2166. **Mr Adair:** It could be from both sides; it is probably a lack of proactivity on our part and a lack of proactivity and engagement on the part of TSB and NESTA to date. However, as I said, both sides have recognised that they need to work more closely together, and that is in hand.
2167. **Mr Swann:** Earlier on we spoke about perceptions of Invest NI, and it was

- very much a case of, “You built the bigger companies rather than the small local ones”. I have also picked up from some of the presentations that you support the manufacturing of products a lot more than you support intellectual property. Some of the producers of intellectual property find it very hard to get their products to the global market. Have you had any experience of that? Do you want to react to that perception?
2168. **Mr Dolaghan:** That is correct historically in that, as you know, a large part of Northern Ireland’s industry had a manufacturing base. If you look at where we have gone in the last 10 years, even in respect of the new inward investment that we have brought in, you will see that the bulk of that inward investment has been around the knowledge economy. Virtually none of it has been from a manufacturing base. Some of the recent budgetary moves will help in the handling of intellectual property-type ideas. We are very aware of the need to try to develop the knowledge economy.
2169. The points that I made earlier are relevant as we look at funding products to try to assist people to develop products. The product is them, and it is about putting their knowledge into a product form. It is about finding out how to sustain them as individuals to do that. Some 95% of the funding that we have available is proportionate funding, so it can only be 20% or 30%, based on European regulations, and that is a challenge for us. I go back to the point about the use of Halo networks, which are made up of wealthy individuals who are willing to invest in other types of activities. Engaging with those sorts of things, as well as venture capital and the loan funds that are being set up, is a way that we have to encourage those businesses.
2170. It is not that we do not want to give businesses grant assistance. We would like to give them grant assistance, and we do give them grant assistance. However, that can only fund something proportionately, which is a problem. I fully recognise that it is a problem, especially at the very small scale. We have to work more closely to educate people about what is available and to try to bring it through at an earlier stage, for example, during the latter part of studies. We could give a lot of individuals the business skills that they need at that stage and maybe allow some of the development to happen in that environment before they step out.
2171. I agree that there are challenges there, but we are putting things in place to try to address that and to find ways to look at what we cannot address at the moment.
2172. **Mr Swann:** One of the frustrations we have had throughout this inquiry is that we talk about what we are going to do, what we can do and what we are going to look into. The sense that we got from Scotland was that they are saying, “We are not going to just think about this; we are actually going to go and do it.” That was the big change. At all levels here, we seem to talk about it without actually taking that proactive step. We saw from the Scottish Minister that it is very much about just going and doing it.
2173. **Mr Dolaghan:** In fairness, this year, we have put in place the various funds that I mentioned earlier. We have put in place the Propel programme to try to assist early start-ups. We have now put in place the new studios in the Titanic Quarter. It is not just about what we are going to do. We are doing things proactively. However, we recognise that it is a dynamic sector that is changing all the time. There will always be needs that we have to try to address, and we will look to do that. The day that we say we are there is the day that we are dead. We will always be looking to do something else and to identify the next thing that the industry needs and then try to put it in place. I accept the criticism up to a point, but I am also slightly defensive on that point. I think that things have been done, so it is slightly unfair to say that nothing has been done in that regard.
2174. **Mr Swann:** It may be beneficial that you are here then. I am giving you the perception that has been out there in

the creative industries throughout the inquiry and all the evidence sessions. There may be a job for you to do to get out there and say —

2175. **Mr Dolaghan:** Absolutely. I think that education is a key part of this. People are not necessarily aware of everything that is there. If they are aware of things, it is in a very disorganised fashion, frankly, and often by word of mouth. We need to educate more. There also has to be an element of self-help. People are very literate in communication media and how they do things and can access things. An awful lot of information is available through that type of media now. People can pick that up and utilise it. A lot of investment has been put into making that the case.
2176. It is a two-way street. We have to step up in these areas more than we have done in the past. We are doing things and putting things in place. We recognise that we have a journey ahead. At the same time, others have to look to use some of the things that are already there to find out more about what is available, which is actually quite substantial.
2177. **Mr Hilditch:** Let me just return to the relationship between local government and the councils, which you spoke about earlier, Brian. We were disappointed that only four of the 26 councils responded to the inquiry. That caused the Committee some concern that maybe all was not well out there. You said that there were some good examples of work within local councils. The Scottish Minister said that, in Scotland, they moved very quickly to bring local government along with them. Do you think that we need to push the boat that wee bit further to try to bring local government up to standard, generally?
2178. **Mr Dolaghan:** Absolutely we do. I do not think that it is for lack of trying, frankly.
2179. **Mr Hilditch:** Some of the councils subcontract the local development work out to agencies as well. That is another layer, another tier. Our goal should be to bring it all together.
2180. **Mr Dolaghan:** Multiple layers are a part of the problem. We run competition upon competition to appoint different people to those layers. That will impact on the timeline for some of this stuff, as Mr Swann was saying. It seems that nothing is happening, but, actually, the competitions are happening.
2181. The engagement that you have had with the councils is symptomatic of what we have found in the engagement around some of the funding that is available and some of the approaches that we would like to take. There are some great examples of things that are happening: Digital Derry, for example, and some of the different things that the council up there is doing. It is very proactive in some of those areas. Other councils are, frankly, not proactive in some of the areas. So, as regards that engagement, we can only set out our stall and say what is there. Others have to come and partake of that, as it were. That does not always happen. That definitely does not happen in a level way across all the councils.
2182. So, again, our local office network will engage regularly with all local councils, but some are much more proactive than others, and understandably so. It depends on the nature of the areas that they are in. Some councils are much more economically focused than others in that regard, while others are more tourism-focused or have more of a social focus. There is a wide diversity of interaction with local government, but we would like that to be better, and we have been working hard on it for quite some time. As I said to Mr McMullan, I am going to provide some information on the LED moneys and how those can be accessed, which I think would be helpful. It is something that has already been through and around the councils.
2183. **Mrs Hale:** Good morning. Can you tell me whether a service provider has been identified for the strategy that you hope to develop for the music industry? Can you expand on what you would like the strategy to aspire to?

2184. **Mr Dolaghan:** I will ask the music man. He is the everything man at the minute.
2185. **Mr Adair:** To answer your first question, no, a service provider has not been identified yet. We have not got to that stage.
2186. **Mr Dolaghan:** It is perhaps worthwhile saying why we have not got to that stage. A decision was taken that we needed to collaborate more with the industry players to find out exactly what their needs were rather than try to do something about what we thought the needs were. So, rather than go out with something half-baked, we spent an extra couple of months having significant interaction with the industry players to try to find out exactly what they required.
2187. **Mrs Hale:** The original time plan was April 2012.
2188. **Mr Adair:** Yes. As Brian said, we talked extensively to the industry and to a number of stakeholders. We are very happy with what we got back and the strategy that was developed. An economic appraisal of the strategy has been done, and it was delivered to me very recently, on Friday. I have not had a chance to look at it yet. So, we hope to have the service provider in place in September or October of this year. We are approximately six months behind where we should be at this point.
2189. The answer to the second part of your question goes back, in part, to what Robin Swann mentioned earlier. The strategy is based entirely on identifying and exploiting intellectual property makers and getting them to market through international trade missions and training. A new element this year is talent development, which we have never done before but which, very importantly, was identified as part of the consultations. Talent development is what the industry wants us to engage in.
2190. **Mr McMullan:** Do you think that Invest NI should be involved in council structures and the review of public administration (RPA) as far as the economic development of the creative industries is concerned, considering the lack of enthusiasm from councils and the amount of money for economic development that could be spread through councils and the RPA?
2191. **Mr Dolaghan:** That is a very leading question. I was not expecting that one in this session.
2192. **Mr McMullan:** It is clearly coming through in comments and in what David was saying.
2193. **Mr Dolaghan:** Again, this is a personal opinion, but I think that there is absolutely a role for councils and for Invest Northern Ireland in a closer working partnership. The microbusinesses should be being brought through at council level. The assistance should be at that level and should help them to grow to a stage at which they would be in a position to look at exporting to markets beyond Ireland and the UK. Councils should be taking businesses to that level and then, beyond that, because of the specialist need for an understanding of international markets, there is a role for Invest Northern Ireland in helping businesses to move to that next scale. I very much see it as an active and workable partnership between both. Does it work that way at the moment? Not in all instances, frankly. I think that there is a way to go to make it work, but we are on the right road. In the last couple of years, we have got on a better road than we were on previously, but, within that, there are pockets that are very successful and others that are being dragged along behind.
2194. **Mr Adair:** Some councils have engaged significantly with us on the creative industries in the last six months; specifically, Belfast City Council, Derry City Council and Craigavon Borough Council. I believe that we also had engagement with Moyle District Council in the north-east. There is engagement, but, as you have specified, it is not across the board.
2195. **Mr Dolaghan:** I think that your question was a wider question.

2196. **Mr McMullan:** It is a wider question. Under the RPA and the structures that are envisaged for the new set-up, there is a need for somebody to help councils to drive that. The word “Europe” has not been used in here at all. We recognise that there is European funding, but the word “Europe” is not in the report at all. That is a bit of an omission. There is help through European funding — councils are driving INTERREG and all of that — and people like us need to be in there influencing them in a very positive way, instead of waiting for their report to come to you. There is a time factor there that could be greatly curtailed if you, or somebody like you, were in there with councils. It is something that I would like you to take away and discuss among yourselves.
2197. **Mr Dolaghan:** The knowledge transfer piece is what I think you are driving at. In the last couple of presentations that Alastair Hamilton made to the Enterprise, Trade and Investment Committee, the need to transfer knowledge, not just funds or whatever it happens to be, has come out strongly. It is about that knowledge and how you grow those things. That is very high on the agenda at the moment and is actively being progressed.
2198. **Mr McMullan:** Good man. Thank you.
2199. **The Chairperson:** I will raise a final question. Some witnesses put forward a very strong argument for a national design strategy. Creative and Cultural Skills, in particular, indicated that it would like to work closely with you to develop a design programme, which would essentially add value to the work that it does across other industries through strategic design, product development and innovative thinking. What are your thoughts on the development of a design strategy?
2200. **Mr Dolaghan:** I will ask Tracey to pick that one up, but first I will say that there were a couple of things in the evidence that was collected that surprised us a little bit. It goes back to Mr Swann’s point about the knowledge of what actually goes on. The comments on design surprised us, because we have been quite active on some of that for a time, going back to 1985, but, most recently, in 2008. I will let Tracey pick up on that, but the comments did surprise us.
2201. **Ms Tracey Walsh (Invest NI):** Invest NI’s approach to the design agenda, if we want to call it that, is cross-sectoral. It is not just focused on assisting companies that have a design focus, whether it is web design, product design, branding or whatever, although those companies do fall within my portfolio and we do have a programme of assistance for them. The point that we would raise is the change that has happened since 2008; there has been much more private sector investment in design since then whereas, before, much more government intervention was required. Invest NI put in over £2 million to support the design agenda across our client companies. We are now moving forward on a new programme that will run for the next three years; from 2012-15. Over £3 million of public money will go into that programme. The key point for us is that it will leverage over £2 million from industry, which is a real mind shift in how the design agenda is being embraced by companies and industry.
2202. **Mr Dolaghan:** A lot of activity is going on in the design arena. It can always be better, and we would certainly welcome any further interaction with other design parties, but a lot is going on in that area already. There is a recognition by business of the need for design. The uptake in our programmes since 2008, and before, demonstrates that. Certainly, since 2008, there has been a significant uplift and a recognition that design and innovation are critical to moving businesses forward.
2203. **The Chairperson:** You have shared quite a lot of information with us today, and I thank you for that, but is part of the issue maybe how you are branding what you are doing? You are doing it, but you are maybe not selling it particularly well. Perhaps it is not as recognisable to some of the groups that are out there.

2204. **Mr Dolaghan:** That is a fair comment. It is also a huge challenge for us because we are involved in delivering a large amount of support in such wide and diverse areas. That is definitely a challenge that we will take away from this as well. We are obviously not getting the messages out there. We are probably getting the messages out to the corporate world, but we are maybe not getting the messages out to a wider audience. We ave tried to target the messages at those who we feel will benefit most from them, but, as a result, others who are in that area feel left out and maybe do not understand exactly what is going on. It is a fair comment; we will have to take that away and see how we can better communicate with those individuals.
2205. **The Chairperson:** On behalf of the Committee, I thank you for coming to us today and sharing with us. I hope that, if there is anything else that we need clarification on, you will be able to help us.
2206. **Mr Dolaghan:** Certainly; not a problem.
2207. **The Chairperson:** Thank you very much.

5 July 2012

Members present for all or part of the proceedings:

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

Witnesses:

Ms Roisin McDonough	<i>Arts Council of Northern Ireland</i>
Mr Stephen McGowan	<i>Department of Culture, Arts and Leisure</i>
Mr Richard Williams	<i>Northern Ireland Screen</i>

2208. **The Chairperson:** I welcome Stephen McGowan, Roisin McDonough and Richard Williams. You are very welcome. None of you is a stranger to the Committee.

2209. **Mr Stephen McGowan (Department of Culture, Arts and Leisure):** I think that we are familiar faces. I send the apologies of Arthur Scott, director of culture, who had to pull out at the last moment. In opening, I will be Arthur for a moment, and then I will move on to my comments. Thank you for inviting us to the Committee today. The Committee's evidence gathering is now drawing to a conclusion, and we are keen to take further questions from members and to explore many of the issues that have been raised throughout the inquiry.

2210. The Committee has heard evidence from a wide range of stakeholders. In addition to evidence from the Department, you have received briefings from the chief executives who are here today — Richard and Roisin. Their organisations are truly at the coalface of supporting local businesses and sustaining a creative industries pipeline from which creative people, creative

ideas and creative businesses emerge and flourish.

2211. The number and range of organisations with which the Committee has engaged highlights the corresponding diversity in the sector. We believe that the Committee's inquiry has helped to focus attention on this very important sector and has stimulated debate and the sharing of ideas, opinions, opportunities and new insights on how we can work together to maximise the potential of the sector.

2212. As you know, the Department of Culture, Arts and Leisure (DCAL) is the government lead on the creative industries. We promote awareness of the sector across government and we work closely with agencies such as Invest NI to develop a more joined-up approach to supporting the sector. We seek to stimulate collaboration across industry, government and academia to grow and develop our creative industries. In its relatively short lifespan, the inquiry has begun to tackle one of the challenges facing the sector; that of giving a voice to the many different subsectors of the creative industries.

2213. The inquiry has also confirmed the many challenges that we face in maximising the potential of the sector. From a broad industry perspective, these include lack of scale, not enough collaboration between the creative industries and between the sector and more traditional business areas, insufficient engagement in international markets and insufficient business skills and acumen.

2214. From a government perspective, the sector touches multiple Departments and agencies. A range of government interventions and programmes is relevant to the sector, but too often they lack effective co-ordination or a joined-up approach. Our collective challenge is to bring silos together through collaborative working. That includes challenging the

- silo mentality between organisations and, indeed, even within them, whether the silos are inadvertently created or purposely maintained.
2215. Evidence is highlighting the need to establish a creative ecosystem across the region that stimulates, nurtures and enhances the connections between and within industry, government and academia and that creates new connections and working relationships and meaningful collaboration that shares ideas, sparks new ways of doing things and finds out what works and what does not work and then builds on that knowledge and maximises the potential of those connections. As the Committee will recall from previous evidence, that is the thrust of the Department's analysis and our direction of travel.
2216. I mentioned a creative industries pipeline, which is crucial. I do not believe that creative entrepreneurs necessarily combust into being. That pipeline needs to provide support to businesses but also to focus on education and inspiring and nurturing creativity and new talent. This includes inspiring young people from all backgrounds, from primary to third-level education, from those who see a future involving university and those who do not. That way, we will support not only the creative industries but a wider creative economy.
2217. That core point reinforces the value and the crucial contribution of the arm's-length bodies that are represented here today and the creative and cultural infrastructure that is supported by the Department and which this Committee oversees. The arts, the screen industries, museums, libraries, W5, the planetarium, the observatory and so forth inspire innovation and stimulate creativity and support cross-cutting government objectives in areas such as the science, technology, engineering and mathematics (STEM) subjects, health, education, social inclusion and, of course, the economy.
2218. I believe that the outcome of the inquiry and the Committee's ongoing role will significantly enhance the efficacy, the purpose and the understanding and appreciation of the contribution of creativity and the creative industries across government.
2219. That summarises evidence that you have already received from the Department. We will be delighted to address any other issues that you may have.
2220. **The Chairperson:** OK. Thank you, Stephen. I am not sure whether you were here for the previous discussion, but Roisin and Richard were. One of the main issues that we were looking at was the possibility of looking towards a single strategic body, similar to Creative Scotland. What is your view on that? It is timely for Roisin and Richard to be involved in that discussion as well.
2221. **Mr McGowan:** Richard and Roisin will no doubt elaborate on that. Instinctively, it sounds like the logical thing to do. However, there are issues, and a greater depth of analysis is required. Instinctively, it makes sense as we are talking about joined-up thinking and more collaboration, but there are specific issues.
2222. I am aware that Committee members were across in Scotland. The context of the creation of Creative Scotland is important. Underlining that was a radical streamlining of Government Departments. If we have a Creative Northern Ireland, we will still be dealing with the same number of Departments and agencies. In addition, the birth process — for want of a better phrase — of Creative Scotland was very traumatic and long. It raises issues about whether we should focus on structural and administrative change without tackling the core issues. We feel that instilling a culture of meaningful collaboration and connectivity across the sector now could lead to structural change in time. We think that cultural change is most important now.
2223. In summary, the third point that really struck me about Creative Scotland is

that the “about” page on its website has the line:

“We can’t do it all ourselves and we don’t want to.”

2224. Creative Scotland emphasises the role of its relationships with the two economic development agencies in Scotland. It highlights its key partners. I go back to the thought processes behind Creative Scotland. What Creative Scotland did first, which is the Department’s approach at present, was to put in place a framework for the creative industries to define the roles and responsibilities of their partners, nurture those connections and ensure that the insight and the decisions arising from that are industry-led.
2225. There is a balance. Intuitively, you say, “Yes, that makes sense.” However, there are more complex issues. As I referred to in my opening remarks, we also have a creative industries pipeline in Northern Ireland. We have a very important connection in education to stimulate broader creativity across the region. No doubt my colleagues would like to elaborate on that.
2226. **The Chairperson:** It might be useful just to get their perspectives and insights. Roisin, you will have had discussions with your sister organisation in Scotland, and you may have too, Richard.
2227. **Mr Richard Williams (Northern Ireland Screen):** Chair, I will be straight with you: I am concerned by the focus on Creative Scotland. I could not be more vocal about my belief that there are too many bodies and too much bureaucracy. Things are not sufficiently joined up, and it is a very cluttered environment. I am concerned that that evidence may be brought to bear in the argument for a Creative Scotland model and the argument that a coming together of Northern Ireland Screen and the Arts Council might be a useful contribution to addressing that.
2228. I am very conscious that it is hard for you as a Committee to think anything other than, “Well, you would say that, wouldn’t you?” However, there is actually not a tremendous overlap between what the Arts Council does and what Northern Ireland Screen does. If you drew a Venn diagram, you would find an awful lot of overlap in a lot of other places before you would have to concern yourself about that issue. I am frustrated, and I think that Stephen and, in the previous session, Brian were right when they alluded to the fact that a lot of the issues are a level up from that. Just before this session, Roisin whispered to me asking why I was not with the group in the previous session rather than in this session. About 90% of what Brian, Martin and Tracey told you about was the work that we do with money that they kindly provide us with, yet here I am in this session because DCAL is our sponsor body. That is the level at which, from Northern Ireland Screen’s point of view, the bureaucracy and confusion are coming in and it is the level at which clients in my area do not know whether to go to Northern Ireland Screen or to Invest Northern Ireland. A playwright, unless they are aspiring to be a screenwriter, does not get confused and think that they should go to Northern Ireland Screen. There is not duplication there.
2229. Obviously, I am very conversant with Scotland and what was Scottish Screen. Scottish Screen was not a well functioning organisation, and it was extremely heavy in its staff levels. The cost of the administration of Northern Ireland Screen should be looked at, because even the new Creative Scotland model would not match our costs. So, I am concerned about it.
2230. Stephen makes a point that I am very concerned about. The screen industries in Northern Ireland are a long way from perfect. Brian made a tremendously good point when he said that the point at which we think anything is perfect is the point at which we have completely lost the run of ourselves. It is a very, very long way from perfect. However, we are on a tremendous growth curve that Scotland would be absolutely delighted to have. The fear, which I imagine Roisin has too, is that we know the people in

the process — I am very friendly with some of them — and they lost five years of development while the structures were changed. That terrifies me for the screen industries. We have a huge opportunity now. The idea that we lose five years to shift things around, even if the structures became better, would inevitably mean missed opportunities, which would vastly outweigh any sense of development.

2231. **Ms Roisin McDonough (Arts Council of Northern Ireland):** I share Richard's perspective. I was interested to hear the points articulated by Brian. Richard is right: I cannot discern any overlap between what NI Screen and the Arts Council do. There is no confusion about that in the sectors that we serve. Although joining hitherto unjoined activity might seem on the surface to be a sensible and attractive solution at an administrative level, I genuinely cannot see the problem that it would fix. I will talk about co-ordination in a moment. Brian's arguments about having a merger of organisations were astutely observed.
2232. In response to a point that Dominic made earlier, in the arts we are able to articulate our economic value because we are asked to. It is not always necessarily the first place that somebody who is creative, whether it is a poet, painter, musician or whatever, automatically goes to. Government funding is public funding, and it has to be justified. One of the grounds upon which we are asked to justify the reason for the investment made in the arts is economic value. Arts organisations do that, but that is not the only value that we place upon the arts. The enrichment that you can enjoy from the arts is very hard to quantify, because sometimes it is a matter of personal taste. The level of enrichment will vary: there will be other social benefits and health benefits, which have already been described by Stephen across the piece and by submissions that we have made to this Committee on many occasions. I do not think that anybody around this table is suggesting that this happens,

but they cannot be reduced to simply being a return on investment in strict and exclusively economic and monetary terms. I think that we would lose the potential for some of the great art that is part of our cultural offering at the moment if we were to principally focus on the rate of return on investment and all of those kinds of metrics that we are aware of. So, I urge caution on that front.

2233. I am aware that, in Scotland, the Government championed the need to proudly proclaim Scotland's culture, heritage and sense of identity on the world stage; culture was absolutely at the heart of that. The then First Minister, Jack McConnell, articulated that in a very famous speech. That was the direction of travel. Successive SNP Governments have endorsed that in policy and reflected it in slightly different ways. They had a big vision for how they wanted Scotland to be seen, and that then cascaded down. I think that we have a long way to go before we get that kind of articulation from the highest levels in Government, but we are seeing signs of it. There is evidence of increasing appreciation of the value of our arts, cultural heritage, film and all of those spheres of activity. People are proudly proclaiming that all the investment in infrastructure, which was referred to in the broadest sense earlier on, is a very healthy direction of travel. However, unless there is depth to and a hinterland behind a creative Northern Ireland, we would argue that the simple administrative joining of two bodies, which can obviously do better because everybody can always do better, is not necessarily the answer.
2234. I said that I would speak about co-ordination. Greater co-ordination is absolutely needed. I was very heartened to hear Brian speak earlier about Invest NI's focus on developing a single portal to which people can be signposted if they need business support, access to investment and mentoring, and all of that. We very much welcome that. There is obviously a limit to what we as a reasonably small public body can do in administering the creative industries

innovation fund, which I think has been very successful. The mentoring and learning that is going on is another dimension. We funded 40-odd projects in the last round, 30 of which have taken up mentoring opportunities following offers from the Institute of Directors. More such opportunities, and greater co-ordination and collaboration are absolutely needed. I will just pause there. *[Interruption.]* I hope that my remarks did not result in the table collapsing.

2235. **Mr D Bradley:** A dramatic pause.

2236. **The Chairperson:** Thank you very much for your response. At this stage, the Committee has a very open mind as to its recommendations. It is useful to hear your perspective on this. From my perspective, having visited Scotland and spoken to the various agencies involved, what really struck me is the fact that they are singing off the same hymn sheet in promoting Scotland; they have such pride in their country and in what they have. I sense that Northern Ireland is moving towards that. From listening to a number of speeches by the First Minister and deputy First Minister, I think that we have the makings of that. We have some way to go but, at the same time, that is there. Stephen said that this came about as an outworking of a streamlining of government, and I do not think that any of us are not aware that we need to move towards that. If that is a byproduct of that streamlining, we may need to live with it. At this stage, we are very much in a listening mode as regards our recommendations. However, that is not to say that that may not be our key recommendation.

2237. There is a lot of really good work being carried out by both Departments. However, part of the problem — you will have heard me highlighting this to Invest NI — may be the fact that you are not branding yourself particularly well or selling what you are doing in a much more corporate way. Do you agree with that?

2238. **Mr McGowan:** Yes. The bottom line is that I do not think that businesses really care what the brand or the logo

of an organisation is. What has been shown to be successful with the NI 2012 campaign is people's sense of momentum and that great things are happening here. I do not think that people are looking at the bottom line to see which Department is doing what. There has been interventions and support from various agencies and Departments, which comes back to the core point that I have advocated: we have core strengths, but it is about connections, co-ordination and maximising.

2239. I will give you one example, about which I think the Committee has received information. Throughout the inquiry and elsewhere, concerns have been raised about things being Belfast-centric or north-west-centric. We did a pilot initiative with Newry and Mourne District Council, Craigavon Borough Council and Banbridge District Council to allow them to develop short showreels about the creative industries in their local areas. The councils told us that they did not have a grasp of the quality of the creative enterprises in their local areas. Therefore, there are issues around promoting what we do and the impact that we have.

2240. I think that we can have a creative Northern Ireland by connecting what we have now. I am not, necessarily, talking about structural or administrative mergers, but the ingredients are there and it is about making those meaningful connections.

2241. Any time that I have been before the Committee, I have returned to the point that it is about moving from the aspirational. I could write you a fantastic strategy document in the morning, but it is about whether those Departments and organisations will really work together. That is the underlining thrust of what we have been trying to do.

2242. **Mr D Bradley:** Good morning. During the evidence sessions, we got the impression that traditional arts and crafts are less economically viable than some of the more modern forms and are, perhaps, overlooked in favour of

- digital developments and so on and need a special form of support. To take the example of instrument making, it takes a long time to produce an instrument, there is a smaller market, it has to be marketed in a different way, sales are more difficult, and so on and so forth. Do you think that there is a danger that traditional arts and crafts will be overlooked in the strategy?
2243. **Ms McDonough:** I think that the question is about the creative industries innovation fund. The first round of that was, principally, for the digital side, while subsequent rounds are open to everybody. Among those trying to coordinate activity and develop that work, Craft NI is a really important player as an infrastructural resource and support body. Of course, it is quite a small organisation. Often, the danger is that you place a big burden of responsibility on relatively small organisations. Nonetheless, Craft NI is the sectoral body that the Arts Council set up as the development agency for craft in Northern Ireland.
2244. It is not only about craft for cultural tourism. It is about the traditional arts and crafts that you mentioned; we do not want to lose our cultural heritage. Making, for example, an instrument, is a very labour- and resource-intensive activity. One thing I will say is that we have just opened up 'Take it away', a scheme for musical instruments with interest-free loans over a period so that people can avail themselves of traditional instruments, which are very expensive, or any other kind of instrument that lights them up to play, learn and develop their music. That scheme is now in place and will be launched over the course of the next couple of weeks. That is another kind of stimulus in the sector. We know that harps and flutes are very expensive, as are saxophones and other instruments. We will promote that scheme.
2245. **Mr McGowan:** You highlighted the challenges in marketing. Digital technology has become an enabling technology to promote to a global audience. There is a bridge between the Arts Council and Northern Ireland Screen. The example that strikes me is when Richard facilitated a tour for Mark Thompson, director general of the BBC, to the Paint Hall. We went out to the props department and, to me, that was all craft. Those were not items that could be picked up in B&Q readily. The craft sector very much has a role in the screen industries.
2246. **Mr Swann:** Thank you very much for your presentation. Stephen, the first time you presented to us, we congratulated you on the fact that the Civil Service had not got to you and you had not been cloned.
2247. **Mr McGowan:** Have I been got to yet?
2248. **Mr Swann:** Well, your responses are starting to maybe go that way. *[Laughter.]* No; sorry.
2249. **The Chairperson:** You have to remember that he was speaking as Arthur at the start.
2250. **Mr McGowan:** Yes, thank you.
2251. **Mr Swann:** One phrase you used was that you can prepare a fantastic strategy by the morning. A collaborative framework to support the creative industries was published in December 2011. How are we going with that? It is now the start of July. Is that producing or working? I will ask you that question, Stephen, and then I would like to get feedback from Roisin and Richard, because the Arts Council and NI Screen are mentioned in the document. Is it a document that was produced for the sake of producing a document or has it started to deliver?
2252. **Mr McGowan:** That was a draft in December that was shared with the Committee. The document has not been launched as an official version. It was a concept paper that was shared with the Committee and other stakeholders. As I have highlighted in recent discussions with the Committee, the thinking behind the document was about putting in place the methodology for making those connections. Since December, we have had the launch of the economic strategy in March, and the Department of

Enterprise, Trade and Investment (DETI) is currently working on and finalising an innovation, R&D and creativity action plan. In addition to the economic strategy, the action plan highlighted that the Executive were giving consideration to establishing an innovation council, which would support the Executive in their economic strategy. From putting our thoughts down in that draft paper, we are taking on board the economic strategy and what will become the DETI action plan for innovation, R&D and creativity. I recall that, at my previous meeting with the Committee on this issue, the Chairperson asked whether this was the finalised approach. I said that it was not but that it was the thrust of the direction. As I mentioned earlier, it is the route of our travel. Those are the underlying principles that we see going forward.

2253. We need to get those action plans and the economic strategy and consider how they link into the innovation council. We need to also flesh out the key roles that Northern Ireland Screen and the Arts Council will have in that. Think of the key elements, such as a collaboration group for Departments and agencies; think of the subsector groups that are led by industry; and think of the ministerial advisory group that is being proposed. A similar model in England involves the Department for Culture, Media and Sport (DCMS) and the Department for Business, Innovation and Skills (BIS). Basically, their DCAL and DETI have formed a joint creative industries council. It consists of about 30 different people from across the creative industries, including the chief executive of the Arts Council in England. We have the conceptual model that we want to push forward, but now, it is the important bit of the who and the what, and the question of how that works out. If there is any confusion about whether there was a done deal in the December document, I will state that that is not the case; it was very much us setting out our thinking. We will finalise how we will deliver that, and I believe that, by autumn, we will announce how the

joint departmental initiative will be put in place.

2254. **Mr Swann:** It has got to him, Chair.
2255. **Mr McGowan:** I hope that I did not sound like a civil servant.
2256. **Mr Swann:** No, it has got to you; you are away.
2257. **Mr McGowan:** It was the criticism that I have been dreading.
2258. **Mr Swann:** Basically, this paper was a starting point; it has gone nowhere. Has it been superseded?
2259. **Mr McGowan:** The Chairperson asked how the inquiry would inform our thinking. I said that it would be very important to our thinking, but that was the thrust of our direction. What has become very clear, given the range of evidence that you have been taking, is that basic calls for collaboration and more co-ordination are coming through. The evidence and your recommendations will shape our final decision.
2260. **The Chairperson:** Obviously, we welcome what the Department has done; it gives credibility to the work that we have been doing. Thank you for that. Do you have anything further, Mr Swann?
2261. **Mr Swann:** No, I would have been keen for feedback from Richard and Roisin, but, obviously, you have not really seen much more of the document since its draft stages.
2262. **Ms McDonough:** No, but we will obviously play our part.
2263. **Mr Swann:** Oliver was critical because you have not taken 'Game of Thrones' up in to the glens, but I congratulate you on keeping it around Ballintoy and the dark hedges of Ballymoney. I also congratulate you on supporting 'Nicholas Nickleby', which is being filmed in Kells.
2264. **Mr Ó hOisín:** Thanks for the presentation. It touched on my earlier comments about critical mass and capacity in the area. You talked about bringing silos together. I am not sure

- how that sits with your other proposals. Surely the idea of bringing silos together is the equivalent of stocking a small pond with large fish: inevitably, the small fish would get eaten or they would starve to death. I wonder how that sits with the creative ecosystem that you talk about. If there is to be some sort of rationalisation in the delivery of the creative industries, as in any industry, there must be a prioritising of what is doable in a small area or expanding to look at a different picture. Scotland is slightly different because there is a very definite corporate image that people are comfortable with and everything else. We operate on a smaller scale, with a smaller critical mass. I think that there is potential for co-operation to deliver on the island of Ireland and between these islands, because we have a unique product here. I just wonder how you can possibly look at prioritisation of delivery.
2265. **Mr McGowan:** If you look at the things that we have highlighted in the draft framework and at the priorities that we have articulated in the creative industries innovation fund, you will see that we have placed a focus on export-focused activity. It is about looking beyond; the market for our local businesses is not just here. I referred to the ecosystem. From my brief experience in the Civil Service, it is very clear that people move on. This is my personal insight. One week you could be in DCAL and the next you could be in sewage — that can be quite literal at times. People move between Departments.
2266. **Mr Ó hOisín:** Same stuff, different day.
2267. **Mr McGowan:** We need that creativity DNA established through Departments. I am focusing particularly on Departments because people move on. It is about putting in place within Departments a methodology, appreciation, understanding and advocacy of the creative industries. It is about embedding that in Departments, not people. We need Departments to work corporately towards that.
2268. You made a point about prioritisation. There is a vast range of evidence. It comes back to the point on digital technologies, for example. The Technology Strategy Board in the UK has stated in a report that 70% of the value and growth potential within the creative industries is within the content field. That not only brings in the means of delivery through digital technologies but comes back to the importance of content. That is where scriptwriters, novelists and poets come in with regard to producing the content and the stories that make people want to buy the apps, for example.
2269. I come to your point now about silos. Honestly, I feel that our problem is the silo mentality that has arisen through default or, sometimes, by design. The nature of our structures lends itself to a silo mentality, but we also have to push through other organisations that are comfortable in their space and do not want anyone interacting with them. If we are going to grow this industry and maximise the benefits of creativity in this region, we have to push the agenda of prioritising the attitude of, “We will, and we must, work together.”
2270. **Mr Ó hOisín:** Given the emphasis on and the importance and centrality of the digital aspect, how does that sit with the creative funds for the likes of the digital industry, which has fallen below the bar requirements.
2271. **Mr McGowan:** What do you mean?
2272. **Mr Ó hOisín:** Funding for Digital Derry, in particular, was not adequate in recent times. Obviously, that would roll out across the board as well.
2273. **Mr McGowan:** We have worked extremely closely with Digital Derry. At the start of the year, the Department supported Digital Derry in launching the Culture Tech fund. If I recall correctly, it supported 22 companies in developing concepts. It was very much complementary to the creative industries innovation fund, but it focused on the particular area of the combination between culture and technology. We have talked about this before, but take the often-repeated Steve Jobs comment

that it was the intersection between arts and technology that drove the success of his company and that would drive how people use and experience technology and content. Digital Derry is a proactive example of the Department seeing an initiative that has traction across the region and supporting that. Invest NI and DCAL have supported the Culture Tech pilot festival, which is taking place at the end of August. Coming back to the broader linkage, that will be part of the 2013 City of Culture. Next year, therefore, we have a tremendous opportunity to demonstrate how culture is a driver for social and economic development.

2274. **Mr Ó hOisín:** Is there enough funding there for start-ups?
2275. **Mr McGowan:** Since the summer of 2011, we have received about 190 eligible applications for funding in the last round of the creative industries innovation fund, and we have provided funding, through the Arts Council and with the support of Northern Ireland Screen, to approximately 93 or 94 applications. An important point that we always make is that it is right that we focus support only on those projects that demonstrate clear innovation and commercial viability. Again, speaking personally and honestly, I do not think that this is about spreading out funding for the sake of it. I come back to your point about prioritisation. We have clearly set priorities within the fund of export-focused growth and cross-sectoral collaboration, and we therefore fund projects on that basis. It is not as though we are running out of money in the fund and are unable to support the projects of sufficient quality that are coming to us.
2276. **The Chairperson:** Richard or Roisin, do you want to comment on that?
2277. **Mr Williams:** No. I hoped to say a number of things, but I do not know whether this is the moment.
2278. **Mr McMullan:** First, what are your views on the EU Green Paper on the creative industries? Secondly, have we not a very small base here? We talk about the Scottish model, but the Scots are really driving out their brand name, which is “Creative Scotland”. They have a ready-made brand name. Are we not really reliant and driven by industry and commerce? We talk quite a lot about where people put money in and what they get out of their investment. Is the fact that we have such a small base not restricting us in expanding the creative industries? Are we not held back, in that sense, by being such a small base?
2279. **Mr McGowan:** Again, we have emphasised the importance of export-focused growth, and that means engagement across all borders. It also comes back to the opportunities that we have next year in particular, through the City of Culture, to profile the creativity and cultural strength of this region on a world stage. It links into the fact that, for example, Ireland will hold the EU presidency for the first six months of next year and to the co-operation that is happening on an all-island basis to promote the cultural offering of this island, North and South.
2280. **Mr McMullan:** There is no mention in the report of culture getting together on an all-Ireland basis. We seem to getting quite a lot of ideas from Scotland, England and Wales, with the odd mention of Ireland.
2281. **Mr Williams:** Maybe I can comment on that. That is certainly not the case in the screen industries. In the screen industries, we seek out international collaborations wherever we can. All the companies involved in the screen industries do that, too. Their collaborations, partnerships and valuable economic relationships are as strong North/South as they are east-west, into Europe and out to the States. RTÉ is a tremendously significant market for many of our local production companies. All the recently premiered independent films were co-financed with the help of the Irish Film Board. It is a very common, long-standing connection.
2282. **Mr McMullan:** Correct me if I am wrong, but does that not have more to do with

- tax breaks and incentives? The local BBC units go down and film in the South of Ireland because it is more lucrative there. That is why the film industry has a bigger connection with the Twenty-six Counties than the other parts of the creative industries have. I do not blame you for that. I do not see that mentioned much in the report, although, in places, it mentions that there should be more incentives here.
2283. To get back to my original question, which we have not heard an answer to: are we not restricted by being Northern Ireland plc when it comes to the amount of investment in the arts that we can apply to industry and commerce for? Would it not be better, on an all-Ireland basis, to promote the Ireland brand in the international market as Scotland, Wales and England do?
2284. **Mr Williams:** You have already told us what the difficulty is for the screen industries. It is about economic levers, and all our infrastructure is the UK infrastructure. There is a different tax system in the Republic of Ireland. We cooperate in pitching to certain American projects on an all-island basis, but it can only be when, for whatever reason, you can bring together the two different tax systems and come up with a financial proposition that works. The reality is that there are two different tax systems as a consequence of there being two different jurisdictions. From our point of view, we cannot change that. It is the way it is.
2285. I will go back to my original statement. The screen industry is very all-island, and all-islands, and very international in its thinking. We are weaker on Europe, which is reflected across a lot of other aspects. There were mentions of Europe. We get substantial funding from Europe through Invest Northern Ireland and the European Regional Development Fund (ERDF), and we are very glad that they support us in that way. However, I told the Committee before that we have a celebrated, incredibly joined-up multi-partner proposition that we have been discussing with INTERREG for, I think,
- nearly five years now. That is no good; that is no use to anyone.
2286. The reality of that is that we tend to look away from European funding because we realise that chasing it will suck up all our administrative time, and, if we are not successful, we will have wasted all that time. That is one example, but it is those sorts of structural difficulties that we need to loosen and get rid of. I will go back to the original point: 99 out of 100 people in the screen industries would say that merging the Arts Council and Northern Ireland Screen would not be a good idea. That prospect continues to worry me.
2287. **Mr McMullan:** That is fine, but do you recognise that having two jurisdictions causes a problem? The screen industry is driven by economics. We have taken some of our major productions here into Europe. ‘Titanic’ went into Europe for production; it was not done here. If we are driven by economics, that should be high on the agenda. I agree with you that the tax breaks situation is restrictive. It has to be recognised once and for all that that is what is holding us back on the island of Ireland. That has to be recognised and said out loud instead of skirting around it.
2288. **Mr McGowan:** Members will probably have greater insight into this than I do, but I understand that the British-Irish Council has given consideration to developing a creative industries work stream. To return to the point about Europe, ‘Winning in Europe’, the strategy document from the Office of the First Minister and deputy First Minister (OFMDFM), clearly highlights the importance of the creative industries as part of the priority of drawing down 20% of additional funding from Europe. To come back to Richard’s point, we are seeking to draw down more money from Europe, but if it going to take five years —
2289. **Mr McMullan:** I agree with a lot of what Richard has said. It is restrictive; that is clear and has to be said. If we are to make the case for a stronger industry, we have to deal with the elephant in the room. It can no longer be ignored.

2290. **Ms McDonough:** Notwithstanding that substantive point, our experience in the arts is that there is a high level of co-operation across the island and across Scotland, England and Wales. We jointly fund things and engage with each other.
2291. Turning to Europe, we have been delivering an arts and cultural showcase with the Office of the Northern Ireland Executive in Brussels. Anecdotally, and as an indication of what is going on, Dan Gordon's 'The Boat Factory' was performed in the BOZAR centre in Brussels, and we supported that and put the programme together. We have been in Brussels for the past year and have found that there is a huge appetite for this. In fact, within the UK and Irish context, some of the other countries are saying, "We need to do this ourselves". So, we will collaborate through the office in Brussels. We will make a presentation next year, when Ireland has the presidency of the EU between January and June, to ensure that our arts and cultural offering in Northern Ireland is represented and —
2292. **Mr McMullan:** Why are we waiting until next year?
2293. **Ms McDonough:** We are not waiting until next year; we are already doing it. What I am saying is that there is an opportunity that will bring international focus, and we will step up to the plate. The work that we have done so far includes film and all the cultural products for which we are rightly renowned. We will have an opportunity to see how good we are and to be proud of that.
2294. Arts and cultural organisations have been quite good at drawing down European funding, and I know the difficulties that Richard talked about. OFMDFM will kindly put a small amount towards encouraging international and transnational partnership development between arts and cultural organisations and towards trying to draw down more of the competitive funds that are available. The Executive have set a target of a further 20% drawdown of those funds.
2295. So, we are actively working in those arenas. I think that I said to the Committee before that we have looked at the European creative districts proposal. We are trying to vigorously pursue funding. We are conscious of the constrictive nature of this. I just wanted to let you know about 'The Brussels Platform'.
2296. **Mr McGowan:** To summarise, our activities and our vision do not stop at either a North/South or an east-west border.
2297. **Mr McMullan:** I am not arguing that point. I am just saying that we have great opportunities now and in the future to develop the industry on an all-Ireland basis and to have a bigger and stronger product in the international market. I am glad to hear that you will take advantage of the Irish presidency of the EU.
2298. **The Chairperson:** You will be aware that this is the last briefing for our inquiry. I want to give you all an opportunity for a final word before we move forward to make our recommendations.
2299. **Mr Williams:** I want to deal with a few different things that are not that well connected. First, from my point of view, the most interesting thing about Scotland and the Committee's trip there was the visit to the University of Abertay. I would question some of the assertions about some of the other aspects, but the university has, through its games course, created a complete infrastructure and industry in Dundee. I would encourage us all to see whether there are lessons to be learned there.
2300. I agree with one of the points that the Chair made about Scotland. One of the keys to the success of the creative industries is simply moving them up the priority list. The Committee inquiry is a good example of that. It is a very momentum-driven and profile-driven area of activity. The more support that the industries can receive from all aspects of government, the better. You are absolutely right. That collective and coherent support in Scotland has been very positive.

2301. From my point of view, in the development of the screen industries and the arts and creative industries, the activities have to be delivered by people who are experienced in those sectors. That is the single most important aspect, and I did not hear much mention of it. Where we have had success in Northern Ireland Screen, it was driven by the fact that everyone involved is very experienced in the screen industries and has come out of them.
2302. Aligned to that, Stephen made a good point about the creative industries council in London — I am not sure what it is called. I would welcome a forum like that, but the key thing about it is that 80% — I am guessing at the figure — of the people on it are from the private sector. Here, if there were something similar, the likelihood is that 80% of those involved would be from the public sector. That is the key issue.
2303. I welcome the focus. I completely agree that we need to tidy things up, but, primarily, we are talking about structures in government. I go back to the point that, in a way, it is strange that I am on this panel, listening to my colleagues who provide us with all our finance. Invest NI came in and talked about our activity in the previous panel. There is more to be tidied up in that area than further down the food chain.
2304. **Ms McDonough:** I endorse Richard's concluding point. We could have had DETI and DCAL and Richard and I in one group. It was a little odd.
2305. **The Chairperson:** The reason for that is that DETI had not presented to us before. You have all had the opportunity to do so, and this really is a tidying-up exercise for the Committee. We did not intend to offend anyone. It is just how it worked out for today's session.
2306. **Ms McDonough:** Apologies if it seems that we are being defensive on that. It just touched on something about the nature of co-ordination. It was no more than that.
2307. Harking back to a couple of points that were made earlier, we should make sure that we retain the capability of investing in people who are creative and talented without always necessarily putting a burden on them to get an economic value out of that investment. We should bear that in mind. I know that the Committee will do so in its deliberations.
2308. The purpose of certain kinds of activity will vary. We do not want to lose that richness by having one particular lens through which we look at things. Important as it is to look at the return, it is broader than that. Richard has articulated the core purpose of what NI Screen is about. The core purpose of the Arts Council is to fund artists and their creative talents, some of which will make a return on the economic investment and some of which will not.
2309. The profiling and championing that the Committee can bring to all those areas and aspects of life in Northern Ireland is very important. I think that the journey has started, and there is some recognition of that. Anybody who was at 'Land of Giants' the other night or at some of the other large-scale events that have captured the public's imagination will know that we are putting our finger on something that is so essential to this society and to how it sees itself. We are moving in the right direction. I think that that is really good, and there is increasing recognition of that. We want more, and we want these kinds of discussions to happen all over the place. I want to thank the Committee for this opportunity. We will look at all your recommendations with the Department and through the collaborative framework that Stephen referenced earlier on. We wish you well in your considerations.
2310. **The Chairperson:** We need a final word from Stephen.
2311. **Mr McGowan:** If I say the word "collaboration" again, I will probably hit a record for the number of utterances of that word. Picking up on what Roisin said, there is a view of the creative industries as being a series of concentric circles with the artist at the

core. The core remit and brief of the Department is to support the cultural base, and the Committee oversees that. How can we use museums, libraries, the arts, etc? How can we build on the strengths that we have? I referred to this earlier on: a company does not really care what the brand is as long as it works. Can we create something in Northern Ireland that works and that maximises the industry's efficiency and effectiveness? I think that we can do that by making those connections.

2312. **The Chairperson:** I thank you all for your presentations and responses to the questions.



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