

10 Cultural and Creative Industries Factsheet

South East in context

With a population of just over 8 million, the South East has the largest population of all regions in the UK, with a share of UK employment of just over 14%, second only to London. The workforce in the South East contributes to 15.9% of GDP¹ in the UK, higher than all other regions with the exception of London and was the most productive region during the 1990's. 23% of the South East's working age population hold a degree level qualification or above, almost 2 percentage points more than the national average.

Analysis of the Cultural and Creative Industries sector

	SE employees					SE share of GB employment
	1-10	11-49	50-199	200+	Total	
Manufacture of knitted/crocheted hosiery	#%	#%	#%	#%	#	#%
Manufacture: knitted/crocheted pullovers	#%	#%	#%	#%	100	1%
Manufacture of leather clothes	#%	#%	#%	#%	#	1%
Manufacture of workwear	#%	#%	#%	#%	100	2%
Manufacture of other outerwear	1%	1%	#%	#%	400	2%
Manufacture of underwear	#%	1%	#%	#%	400	4%
Manufacture of other wearing apparel nec	1%	1%	#%	#%	600	3%
Dressing and dyeing of fur	#%	#%	#%	#%	#	#%
Manufacture of footwear	#%	#%	#%	#%	100	1%
Advertising	16%	9%	7%	24%	16,700	20%
Artistic and literary creation etc	23%	4%	3%	1%	9,100	14%
Operation of arts facilities	1%	2%	3%	#%	1,800	12%
News agency activities	1%	#%	#%	#%	300	3%
Total	12,800	5,300	4,300	7,300	29,600	11%

Figures rounded to nearest hundred employees and nearest one percent.

'#' represents an amount below 1% or 50 employees.

Employee percentages (by business size) sum to 100% for the whole sector. Source: ABI 2002.

- The sector does not include sub-sectors, which might be expected to be included in cultural and creative industries, such as publishing and audio-visual. These sub-sectors have been included within the Digital Media sector and have been dealt with in full in that factsheet.
- Employment in the manufacture of clothing in the South East is very low compared to other regions. There are only around 2,000 employees in this subsector in contrast to approximately 30,000 in the East Midlands and over 10,000 workers in both London and the North West.²
- Advertising accounts for a substantial proportion of the employment in the sector and around a fifth of advertising employment nationally is in the South East.
- The other large subsector is artistic and literary creation, employing more than 9,000 people.

¹ Gross Value Added (GVA) 2001 (provisional figure)

² Source: ABI 2002

Future employment in the Cultural and Creative Industries sector

	SE employees			
	1997	2002	2007*	2012*
Manufacture of knitted/crocheted hosiery	#	#	#	#
Manufacture: knitted/crocheted pullovers	200	100	100	100
Manufacture of leather clothes	#	#	#	#
Manufacture of workwear	200	100	100	100
Manufacture of other outerwear	800	400	400	300
Manufacture of underwear	600	400	300	300
Manufacture of other wearing apparel nec	1,000	600	500	500
Dressing and dyeing of fur	#	#	#	#
Manufacture of footwear	100	100	100	100
Advertising	13,600	16,700	18,500	21,300
Artistic and literary creation etc	7,900	9,100	9,300	9,900
Operation of arts facilities	1,600	1,800	1,800	2,000
News agency activities	300	300	300	400
Total	26,300	29,600	31,400	34,800

* Forecast. Source: Skills Insight / EBS Regional Planning Strategy. Figures rounded to nearest hundred.
 '#' represents less than 50 employees

- Overall, employment within the industry is expected to grow by 18% in the 10 years from 2002, with the largest increases experienced in the 5 years from 2007. However, this growth is expected to be within the advertising (+28%) and arts (+8%) areas of the sectors, rather than in clothing.
- Employment in advertising looks set to increase by over 50% in the period 1997 to 2012, although a large part of this growth has already occurred in the period between 1997 and 2002.
- Employment in the manufacture of clothing looks to continue to decline by around 20% between 2002 and 2012, although this decrease is forecast to be less than the fall in employment between 1997 and 2002.

Concentration of businesses within the region

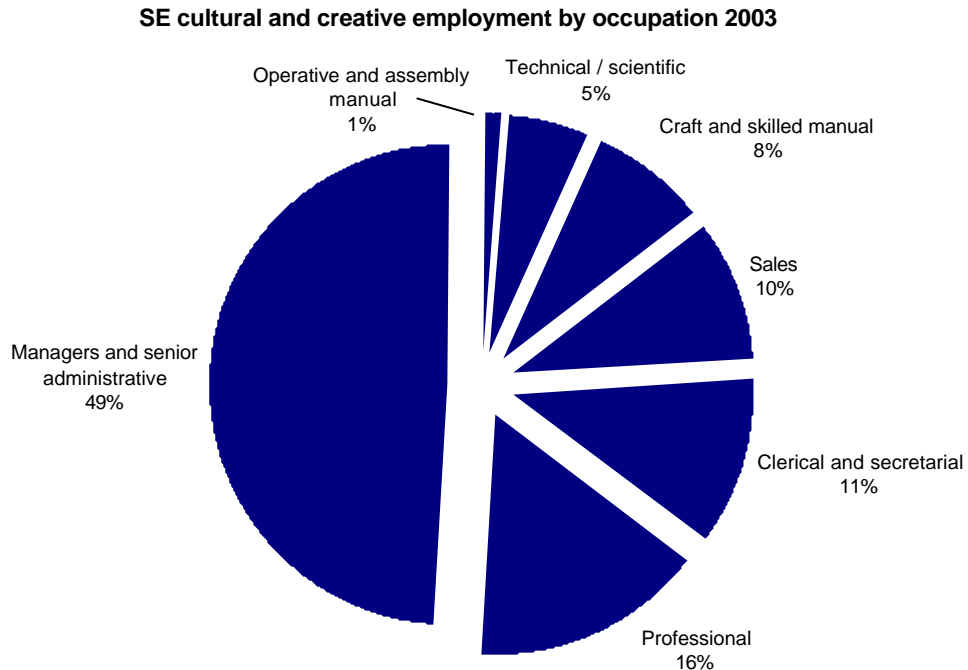
- Only six out of 67 districts have concentrations of employment greater than 25% above the national average for the cultural and creative industries sector.
- There is a high artistic and literary creation concentration around the Brighton and Hove area. This includes employment in theatrical productions and the activities of individual artists, musicians and painters for example.
- There is also a high concentration of employment in advertising in both South Oxfordshire and Windsor and Maidenhead.

Main factors affecting competitiveness

- In Skills Insight's Business Needs / Competitiveness Survey (BNCS) in 2002/2003, the main factor affecting business competitiveness within the cultural and creative industries sector was the impact of rising customer expectations, with 81% of businesses being affected.
- Other factors affecting competitiveness were:
 - Greater use of ICT (80% of businesses being affected)
 - The pace of technological change (77%)
 - Legislation and regulation (68%)
 - Taxation (63%)
 - Cost of living in the local area (61%).

- The impact of skills shortages and skills gaps was only reported by 57% and 44% of businesses respectively. Even fewer organisations reported skills shortages (25%) and skills gaps (17%) as having a significant or very significant impact on business competitiveness

Key occupations within the Cultural and Creative Industries sector



Source: Business Needs and Competitiveness Survey 2002

- Given the diverse nature of the industry, ranging from the manufacture of clothing to advertising, it is not surprising that no one occupation dominates the sector.
- Managers and senior administrative occupations have the highest proportion of employees working in those occupations in the sector, although there are a further three occupational categories with over 10% of employees.
- The high level of employees in management occupations may be misleading. Those organisations within the clothing and footwear sub-sectors, which are small organisations, tend to have individuals who do multiple jobs (designer/salesperson/manager). These people may tend to categorise themselves as management, even though they undertake a number of tasks specific to other occupational groups.

Current and future key skills issues/shortages for the Cultural and Creative Industries sector

- In the 2003 LSC National Employer Skills Survey, 7.6% of organisations in the cultural and creative industries sector reported hard to fill vacancies amongst some occupations in the region. Communication skills and team working skills were the skills which businesses with hard-to-fill vacancies found most difficult to obtain from applicants.
- The 2001 Skills Dialogue for the clothing industry³ identifies that there is a lack of young people entering the industry and there is an increasing skills need for apprentices and trainees. ICT skills are not said to be in great demand while job specific skills are. The

³ An Assessment of Skills Needs in the Clothing, Textiles, Footwear and Leather and Furniture, Furnishings and Interiors Industries – DfES Skills Dialogue 2001

skills dialogue also reports that the larger the business, the greater the propensity to report skills needs is.

- The report also highlighted the levels of skills gaps within the sub-sector, particularly regarding gaps in communication skills, basic computer literacy and customer handling skills. These gaps appear to be most apparent within specific occupations, particularly management, where almost half employers believe that their management staff required additional skills.
- According to the Footwear and Leather National Training Organisation⁴, around two thirds of managers nationally have insufficient skills to carry out their role effectively, according to their employers.

Demand for skills	High/advanced now	High/advanced in three years	Change
General IT user skills	54%	60%	6%
Problem solving skills	59%	64%	5%
Team working skills	74%	77%	3%
Customer handling skills	77%	80%	3%
Communication skills	85%	88%	3%

Source: LSC, NESS 2003

- Currently, communication skills is the skill most desirable by employers in the cultural and creative industries sector in the South East, with around 85% of employers stating a demand high or advanced communication skills at present.
- Employers consider high or advanced customer handling skills to be in most demand in three years time. However, general IT skills are expected to experience the highest increase in demand in the next three years. This supports the findings of the BNCS shown earlier, suggesting that 80% of businesses in the sector in the South East reporting the greater use of ICT in the business to be affecting competitiveness.
- The 2001 Skills Dialogue for the clothing industry also identifies that skills needs in the sub-sector are focused mainly on IT and technical skills. 37% of organisations saw a need for advanced IT skills for over the next 2 or 3 years, with 19% seeing a skills need for basic computer literacy.

Key networks (employer and training provider/FE/HE networks)

- **Skillfast UK** is the Sector Skills Council for the Apparel, Footwear and Textile industry. Skillfast is one of five “Trailblazer” SSCs which are formed out of a partnership between employers and stakeholders to tackle skills issues within the sector.
- Skillfast UK have established a set of CD-ROMs aimed at pre-16 and post-16 young people called **Clotex**. Its aim is inform young people about the textile and clothing industry and give them ideas for careers within it.
- With regard to training networks, the **Bolton Institute** and **KLITRA** (National Training Organisation for Knitting, Lace and Narrow Fabrics) have established two projects establishing Networks and Clusters of companies who will exchange best practice in the field of technical training (source: DTI).

⁴ FLNTO Skills Foresight 2001