



**Skills Support for the Workforce
Local Response Fund**

LRF- Sector Skills GAP Group
Skills Gap Report

Sector: Creative-Digital & Tourism



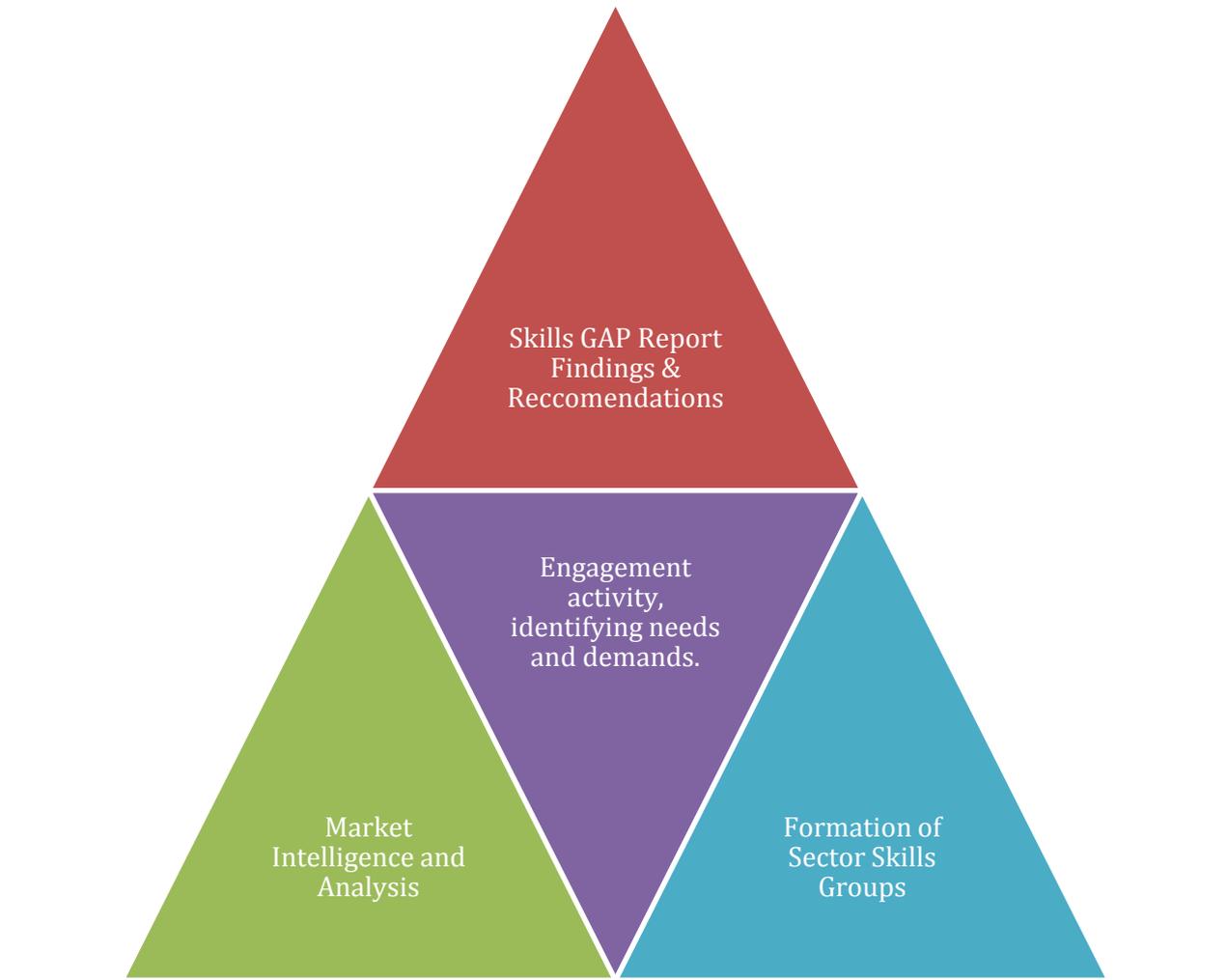
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The Sector Skills GAP Report Model



Background

Hull College has secured a contract for an initial £3.5 million with an additional £1 million to deliver the Skills Support for the Workforce (SSW) and Local Response Fund (LRF). The project is funded by the European Social Fund ESF. The focus for the funding will be to deliver workplace learning courses across the Humber region to meet individual, employer and regional needs by up skilling the workforce.

The project is being delivered in partnership with Bishop Burton College, East Riding College, Grimsby Institute, North Lindsey College and a the Humber EBP as a sector representative to engage with learners and key employment sectors as identified by the Humber Local Enterprise Partnership LEP.

The contract started in July 2013 and will run until July 2015. The programme is aimed at supporting employed individuals aged 19 and over in a small medium enterprise (SME). It will enhance their skills and career prospects to reduce the risk of long term unemployment and welfare dependency.

Sources of information used

Sources correct at time of writing April 2015

- Working Futures, UKCES, 2012
- Nomis (Jan-Dec 2013)
- NESTA
- REIU
- Tech City UK Report – 2015
- Office of National Statistics
- UKCES
- Information gathered through face to face meetings and telephone conversations and attendance at networking events
- Questionnaire sent via EBP and Chamber of Commerce

Market Intelligence

The Creative-Digital & Tourism sector includes large sectors in their own right –

- Computer games design
- Animation
- Film production
- Fashion design
- Photo imaging
- Publishing
- Screenwriting
- Audio Engineer
- CG Modeller
- Travel
- Hospitality (accommodation, hotels, restaurants, café's, bars)
- Retail
- Attractions

It is difficult to find labour market information broken down to the Humber Sub-Region for each of these areas.

According to the Office of National Statistics (ONS) estimates for people working within the Accommodation and Food Services in our region for 2012 are:

- Hull 4,600 which is 4.0% of a workforce of 171,600
- East Riding 7,800 which is 7.2% of a workforce of 204,400
- North Lincs 3,400 which is 5.2% of a workforce of 168,400
- North East Lincs 3,500 which is 5.6% of a workforce of 99,900

Based on the working age of 16-64

The regional percentage for people working in the Accommodation and Food Services sector for Yorkshire & Humber is 6.0% and the UK is 6.9%

Humber Bridge, Hessle

HULL

INCLUDING EAST YORKSHIRE AND NORTHERN LINCOLNSHIRE

DIGITAL EMPLOYMENT

12,219

KEY SECTOR FOCUS*

- SOFTWARE DEVELOPMENT
- ADVERTISING AND MARKETING
- GAMES DEVELOPMENT AND PUBLISHING

KEY CAPABILITIES*

1.9x MORE LIKELY TO SPECIALISE IN PAYMENTS INFRASTRUCTURE

1.7x MORE LIKELY TO SPECIALISE IN COMPUTER SIMULATION

1.6x MORE LIKELY TO SPECIALISE IN VISUAL AND AUDIO DESIGN

GROWTH OF COMPANIES

57%

INCREASE IN NEW DIGITAL COMPANIES INCORPORATED

The emerging digital technology community in East Yorkshire and Northern Lincolnshire is focused around Hull, with concentrations in Grimsby, Howden and Melton.

The region is characterised by sizeable locally grown tech companies (Trident, Ebuyer, Summit) as well as a range of startups. These have been supported by significant local private sector investment including £15 million by the Wykeland Group into C4DI Digital Hub, a co-working space launching its own accelerator in 2015.

The high-speed fibre optic network provided by Kingston Communications is especially important for local animation and design businesses. Other local competitive advantages include the low cost of living and Hull University's strong computer sciences department. Larger innovation hubs, such as Spencer Engineering, have played a key role in growing the local startup community and support environment by providing advice and investment. Other hub organisations in the area include PwC, Ebuyer, and Amazon Web Services, through their Activate startup programme.

Information taken from Tech City UK Report 2015

Digital & Creative Sector

The importance of the sector: The UK's digital and creative sector makes a significant direct and indirect contribution to the UK economy.

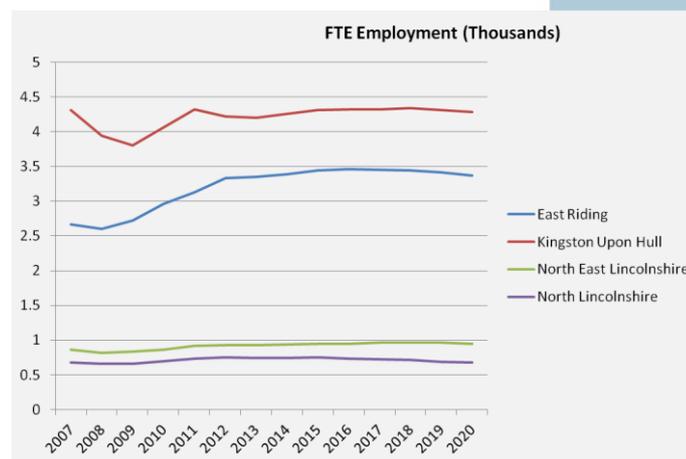
- The net output of the sector in 2010 was £92 billion, eight per cent of the UK total having grown by 2.5 per cent per annum over the previous ten years, faster than the economy as a whole (Wilson and Homenidou, 2011). Productivity in the digital sub-sector is almost three times the national average and above average in the creative sub-sector (UKCES).
- Employment in the sector accounted for around six per cent of total employment in the UK in 2010, (Wilson and Homenidou, 2011). This is above the EU-27 average of 4% (Eurostat, 2011).
- The UK's digital technology sector is ranked 6th in the world in terms of its competitiveness (e-skills et al. 2009), and the UK has the largest creative sector in Europe (eg IPA, 2009, IFPI, 2009, UK Film Council 2009). Both components are major exporters.
- The sector was one of the fastest to recover following the recession of the early 1990s and is projected to be one of the fastest growing sectors over the coming decade. Employment is also expected to continue to grow, but at a slower rate than output underlining the sector's productive potential (Wilson and Homenidou, 2011).

CDI (creative digital industries)

CDI Employment by Local Authority

Hull provides the greatest amount of CDI employment across the Humber with Hull and the East Riding seeing increases between 2009 and 2011

Source – Experian Regional Planning Service (RPS)



Tourism

The importance of the sector:

The UK's tourism sector makes a significant direct and indirect contribution to the UK economy. The net output of the sector in 2010 was £62 billion, six per cent of the UK total. It grew by 5.6 per cent per annum over the previous decade, faster than the economy as a whole. In addition to its direct contribution to national output, business in other sectors sell to and purchase from the visitor economy, contributing as much again to GDP. Employment in the sector accounted for around eight per cent of total employment in the UK in 2010 (about 2.5 million people).

Britain is the seventh leading destination in the world in terms of revenue from inbound tourists. The sector is projected to be one of the fastest growing in the UK over the next ten years, with output projected to increase by over five per cent per annum. Employment is also projected to grow, albeit at a slower rate of just over one per cent per annum, indicating projected increases in productivity. The 2.5 million people who work in the sector are less qualified than average, and over one third work in elementary occupations, compared with one in ten workers overall. Employment is concentrated among small workplaces, although the proportion of self-employed workers is below the average for the whole economy. However, the sector provides lots of opportunities for part-time and temporary employment. Female workers outnumber male workers, although the proportion of women in the sector has been falling over the last decade. The sector has a very young age profile, with one third of workers aged under 25. A key issue for the sector is the relatively high rate of labour turnover

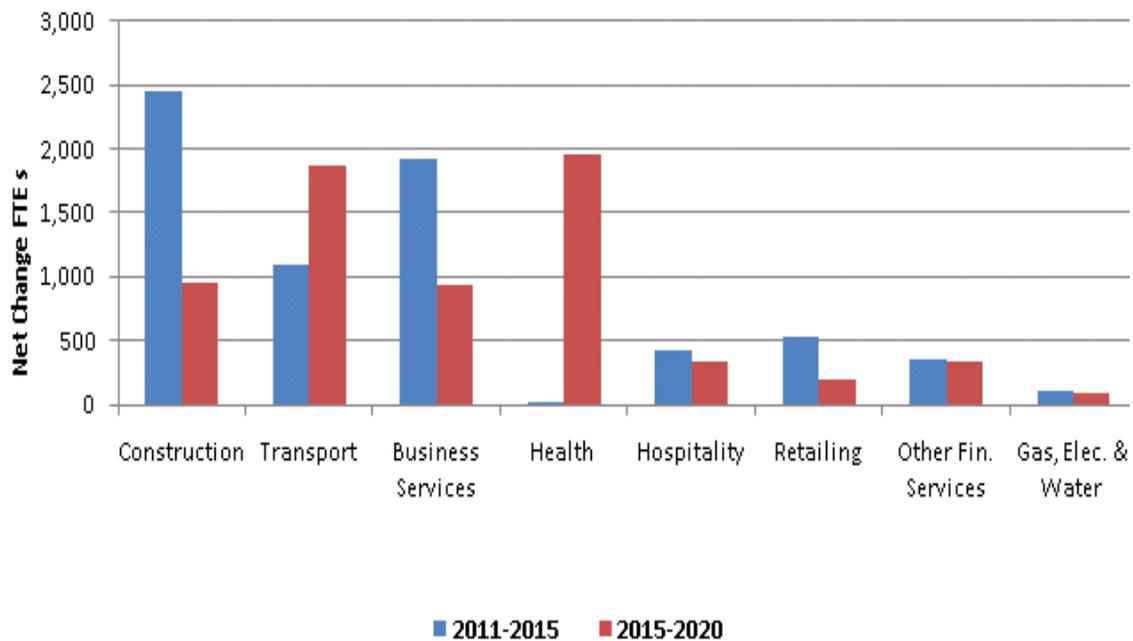
The total number of companies accessing SSW within Creative, Digital & Tourism are: 2

According to the Data Observatory the number of SME business within Creative, Digital & Tourism sectors in the Humber Sub-Region are 975 which equates to 0.02% of companies have accessed SSW.

Employees accessing training through SSW within Creative, Digital & Tourism companies are 16 this is 0.35% of the total learners who have accessed SSW (total numbers 4548)

Humber LEP, sectors forecast to grow - by total net FTE change 2011-2020

Source: Regional Economic Intelligence Unit, 2012



SME Skills GAP Groups

Rather than develop new networks existing networks were approached to develop links and provide SSW information and guidance

Existing networks and organisations worked with;

- Bridlington Guest House Association
- Creative Humber
- East Riding Renaissance
- VHEY
- Platform Studios
- C4DI

It has been challenging to engage with the Creative, Digital & Tourism sectors because of the size of the organisations and the specialist training requirements. When the project started existing organisations were visited and support was offered to help to capacity build businesses.

Many companies that make up the sectors are micro businesses who tend not to engage in networking events.

Over 100 businesses have been engaged with on a one to one basis and an

additional 400 business contacted through EBP and VHEY databases. Of the 100 direct engagements 20 businesses have had a face to face meeting to complete an application to access training and been referred to SSW of those only one company has successfully gone on the access the funding.

Feedback from the training organisations that have had businesses referred to them ranged from

- “unable to contact the company messages left no response”
- Training not suitable and difficulties in taking time out of the business to attend training

Humber EBP Work Experience Placement Officers have promoted the SSW project to employers that fall within the key priority sectors across the Humber Sub Region whilst out visiting businesses to carry out Health & Safety checks.

In addition to the above engagement Business Support Officers, Economic Development Officers, and other local authority staff are aware of the fund and are promoting through their existing networks and start up businesses.

A substantial number of businesses have been contacted directly by SSW delivery partners.

State what proportion of the local market you have engaged with during the project:

According to the Data Observatory the number of SME business within Creative, Digital & Tourism sectors in the Humber Sub-Region are as follows: 975 which means 10.2% of businesses have either been referred or had a one to one conversation regarding SSW. Please see question above for further information on business that have been engaged.

Findings

The general view from companies contacted is,

- The training on offer doesn't meet their needs in the case of creative & digital companies they feel their skills are at the cutting edge and a college/training provider cannot offer what they require
- Many of the companies have one or two people working in them, it can be difficult to get time out to attend training
- More twilight sessions need to be offered especially for retail organisations

These are all barriers to business growth.

This is reflected in the article below from the **Techcity UK report - 2015**

- Many of the digital business are micro enterprises and find it difficult to take time out for training
- Requests for workshops around areas such as contracts, intellectual property from industry experts (solicitors)
- Creative/digital companies contacted are working at the cutting edge of technology and creative arts, and feel they couldn't learn anything from current courses on offer
- Support requested is the type being delivered by Arts Council England, see below for information on a conference recently held in Hull.

'Digital Utopias was a one-day conference held at Hull Truck theatre funded by arts council England which inspired and sparked debate about how new technologies are enabling creativity across the arts. The conference captured topical and diverse approaches to curation, archiving, collecting and creating from a range of art forms, from the visual arts to theatre' arts council England website-report January 2015

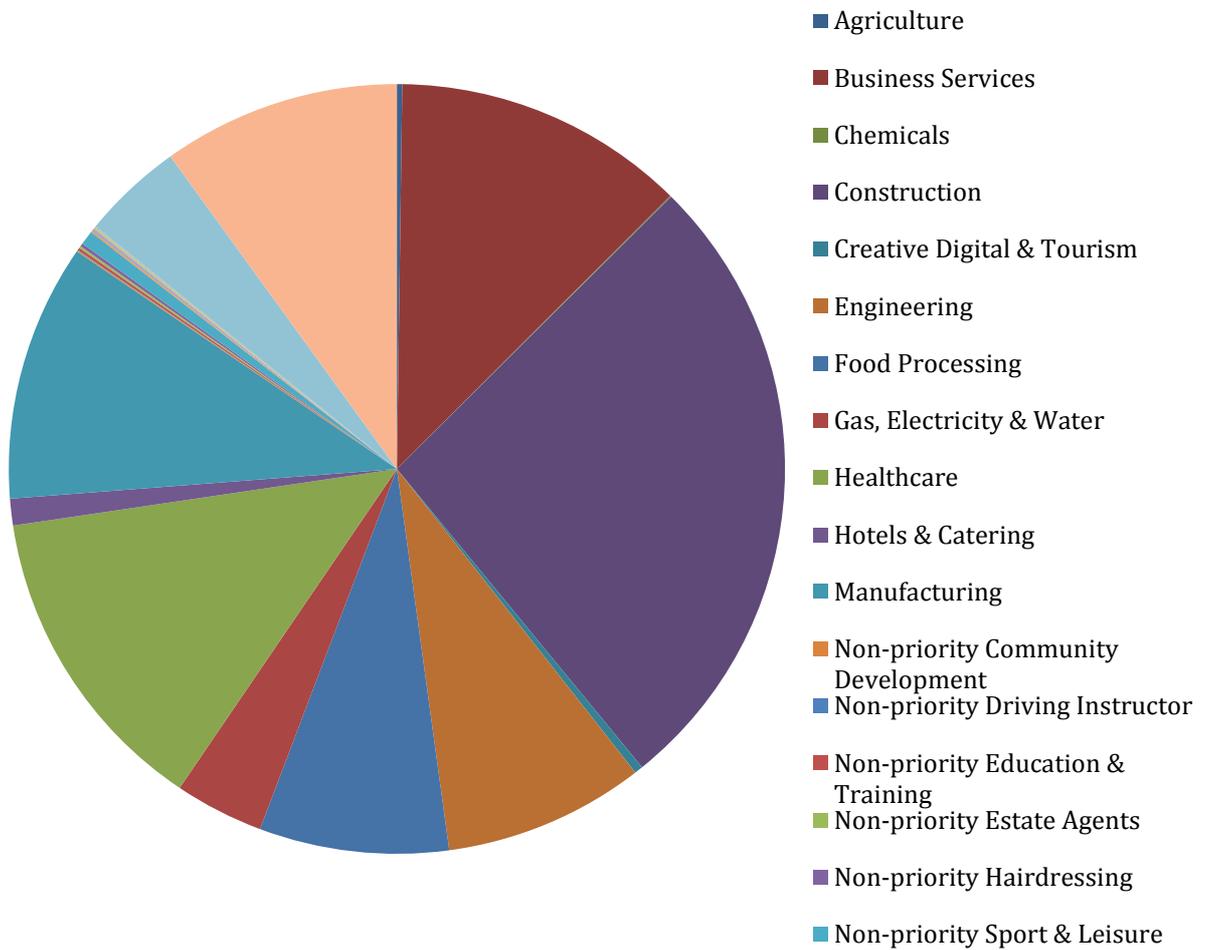
Advice and Mentorship Survey respondents and interviewees indicated their wish for a coherent business-support environment that provides layers of advice, mentoring and support to guide tech businesses on their growth trajectory. More than half the companies we surveyed had sought out training, advice or mentoring from other businesses or sector leaders in the past year. Larger 'hub' organisations were also highlighted as playing a key role, supporting the cluster through provision of advice, investment or other resources. The Business Growth Service is a good example of this. In addition, organisations, were viewed as credible advocates for their cluster.

OUTLETS DIGITAL COMPANIES RELY ON TO BUILD EMPLOYEE SKILLS

- | | |
|--|-----|
| - Self taught | 62% |
| - Internal training | 51% |
| - Coaching & Mentoring | 37% |
| - On-line courses | 36% |
| - Local University Undergraduates | 32% |
| - Local University Masters, MBA, PHD | 26% |
| - Tech focused education organizations | 22% |
| - Local Technical Colleges | 7% |

[Data taken from Techcity UK report](#) – 47,200 businesses surveyed

% of Delivery for the SSW Project



Skills GAP Report Findings/ Recommendations

“There are recognised skills gaps within the digital sector, the skills are needed for a wide range of industries” *Lindsay West – Platform Studios*

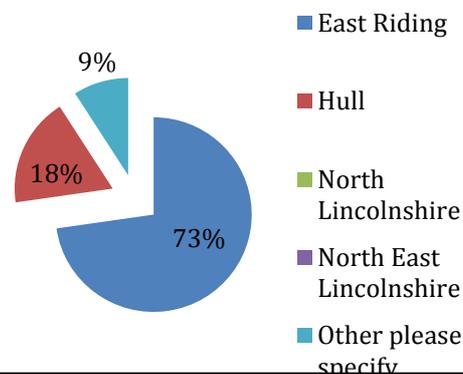
Working with organisations during the project requests for the following workshops have been made:

- contracts
- intellectual property from industry experts (solicitors)
- inspirational speakers from Creative Digital Industries

Results from survey sent to over 400 tourism businesses in Humber Sub Region

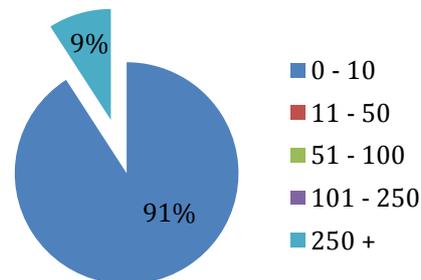
Area	Count	Percentage
East Riding	8	73%
Hull	2	18%
North Lincolnshire	0	0%
North East Lincolnshire	0	0%
Other please specify	1	9%

Respondents by Local Authority area



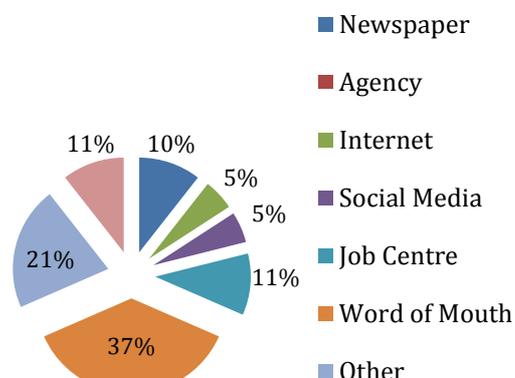
Type of organisation (Number of employees)	Count	Percentage
0 - 10	10	91%
11 - 50	0	0%
51 - 100	0	0%
101 - 250	0	0%
250 +	1	9%

Size of business by number of employees



How do you recruit?	Count	Percentage
Newspaper	2	10%
Agency	0	0%
Internet	1	5%
Social Media	1	5%
Job Centre	2	11%
Word of Mouth	1	5%
Other	1	5%

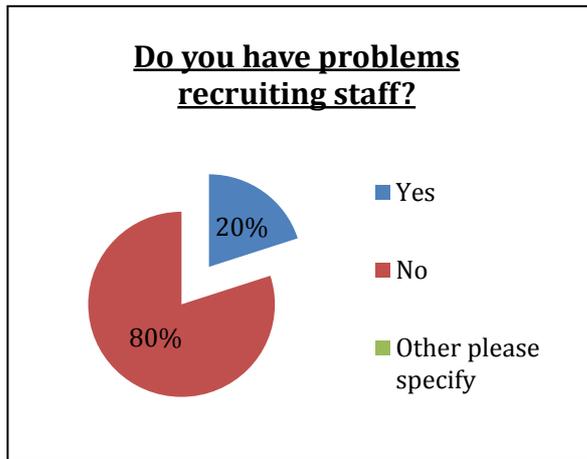
How do you recruit?



Word of Mouth	7	37%
Other	4	21%
Other please specify	2	11%

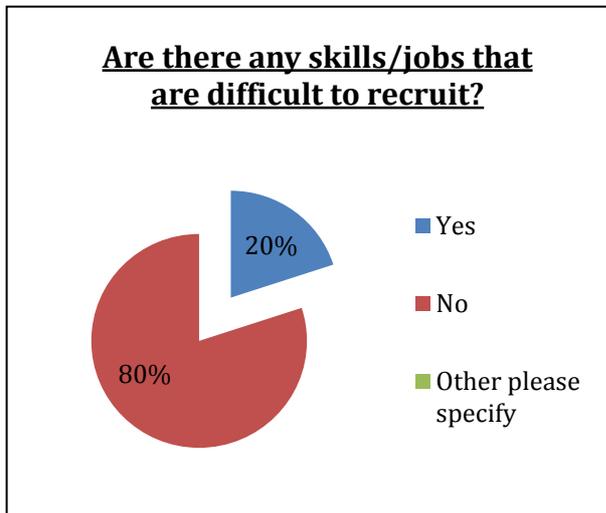
Do you have problems recruiting staff?

Yes	2	20%
No	8	80%
Other please specify	0	0%



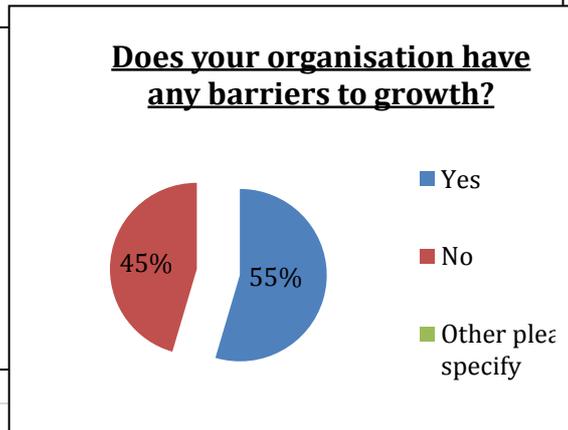
Are there any skills/jobs that are difficult to recruit?

Yes	2	20%
No	8	80%
Other please specify	0	0%



Does your organisation have any barriers to growth?

Yes	6	55%
No	5	45%
Other please specify	0	0%



Main Causes of Skills Gaps

- Staff are new to the role 62%
- Training only partially complete 58%
- Staff Lack Motivation 41%
- Staff attended training but motivation not improved sufficiently 38%
- Introduction of new working practices 31%
- Staff have not received appropriate training 29%
- Unable to recruit staff with required skills 25%
- Introduction of new technology 20%
- Problems retaining staff 17%

(Identified by UKCES in their UK Employer Survey 2013)

Skills Supply – Tech City UK Report 2015

Applications to computing and IT courses are in decline and the *quantity* of graduates may not be sufficient to meet the growing demand for professional and technical skills. Women make up only 15 per cent of the intake to computing-related courses. The number of creative graduates is rising and the majority are female. However employers are concerned about the *quality* of their education and whether they finish their studies with right sort of skills that employers want, particularly in fast-moving sectors such as visual effects.

Apprenticeship numbers have risen rapidly in recent years, from a low base, particularly at advanced level although the numbers of higher-level apprenticeships is still very low. Much of the training carried out in the sector is done informally, therefore relatively few employers arrange training for their staff in the sector compared with the economy as a whole, particularly training that leads to national recognised qualifications. The proportion of the workforce receiving formal training is also below average and falling. Despite the large proportion of digital and creative employees in managerial, professional or associate professional jobs the proportion of in receipt of work-related training is well below average and digital and management training is less available than in other sectors.

Digital and creative sector employers tend to be less involved with government skill development initiatives and with the education system, than other employers and are less likely to think that the vocational qualifications available match the need of their business. Sector Skills Insights: Digital and Creative xi Generally digital and creative employers tend to adopt a less formal approach to the development of their employees, although their employees are more likely to benefit from job autonomy and flexibility.

Identified skills needs in the creative sub-sector as a result of increased digitisation include – ***UKCES 2014***

- **Multi-skilling:** an understanding of different technology platforms and their impact on content development and digital work flow, and new approaches to working in cross-functional creative/technical teams within and across companies.

- **Multi-platform skills:** the creative and technical skills to produce content for distribution across all potential platforms, and the ability to understand and exploit technological advances.

Sector Skills Insights: Digital and Creative 28

- **Management and business skills:** especially project management for multi-platform development; the hybrid skills combining effective leadership with innovation, creativity and understanding of technology, and the analytical skills to understand audience interests and translate it into business intelligence.

- **IP and monetisation of multi-platform content:** understanding of intellectual property legislation to protect from piracy, and exploiting intellectual property internationally to take full advantage of emerging markets.

In addition to these broad needs, there are specific skills needs in broadcast engineering, archiving, sales/marketing, supply chain management, HR; also particular recognition of the needs of freelancers on whom so much of the creative sector depends.

Legacy

Part of the legacy HCUK have developed a Business toolkit covering areas such as (HR Principals; developing bids and tenders, leadership and team work) to meet the demand from businesses across the creative, digital and tourism sectors.

The following up-skilling of tutors has been funded by the SSW (LRF) Project. This will enable training to be delivered to meet the needs of industry.

NL College

Issue/Market Failure to be addressed	Proposed Capacity Building Activity
<p>The Humber has a fast growing digital sector and is building a reputation for digital innovation and creativity. The region has significant grouping of companies working in digital branding, online marketing and advertising, packaging design, digital media, web design and build, app and game development, software development and other forms of digital content creation. The status of Hull as UK City of Culture 2017 offers a unique opportunity to develop and promote the region's creative and digital sector. There are also significant opportunities for digital companies to support innovation in traditional industries with a strong presence in the region, such as food, chemicals and engineering, as well as the growing renewable and offshore wind industry.</p> <p>Local employers find that young people leaving school, university or college come to them equipped with a solid background and understanding of the required core skills. However, they are often lacking in commercial programming languages used for specific application, such as Objective C for iOS App development or Java for Android App development.</p> <p>The areas and employment opportunities which need to be served in terms of capacity in the Humber include:</p> <p>Web Design and Development</p> <ul style="list-style-type: none"> • Programming • Corporate identity/graphic design • Flash/Motion Graphic Animation <p>Games Design and Development</p> <ul style="list-style-type: none"> • Programming /coding • Marketing • Level Design • Character and environment design 	<p>We also wish to carryout research to identify appropriate software that has longevity and which is predicted to shape the future direction within Creative Digital Technology. This will give us information to develop creative digital skills amongst staff in the Humber and establish effective links with regional studios to ensure that skills development matches the needs of various aspects of design and development.</p> <p>The project will then develop programmes and learning materials and a flexible resource base for engaging SMEs in staff development within this sector.</p> <p>Outcomes</p> <ul style="list-style-type: none"> • Small and micro businesses engaged in the project will develop a greater understanding of how local skills provision can support their businesses to grow. • Small and micro businesses engaged in the project will build closer relationships with local education providers to offer careers advice and guidance in the creative digital sector. • Young people will be better informed about the skills they need to develop to progress in their chosen careers. • Young people will be more likely to choose courses that deliver the skills required by local digital employers, supporting the further growth of the sector. • Development of SME focussed programmes and materials in the following areas: <ul style="list-style-type: none"> ü Computer Programming – 2 day course x 2 (beginners and

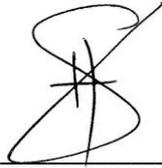
<p>Games Software Development</p> <ul style="list-style-type: none"> • Software development • Market Research • App Development <p>Commercial Digital Imaging</p> <ul style="list-style-type: none"> • Commercial photography • Digital software re-imaging • Digital workflow operation <p>Although aspirations and skills levels are rising as optimism about the region’s economic future returns, there is still a tendency for highly skilled young people to seek employment outside the region. Anecdotal evidence from local education providers suggests that many students are recruited directly on graduation into major employers from outside the region. In some cases, over 50% of graduates on a given course leave the region.</p>	<p>advanced)</p> <ul style="list-style-type: none"> ü Maximising Web presence – 1 day course ü Effective use of Digital Technologies eg motion graphics – 2 day course ü Application development – 3 day course ü Building the Brand – 1 day course ü Imaging a Business (Commercial Digital Imaging) – 2 day course ü Creative use of Social Media – 2 day course ü Foundation Games Design/Animation – 2 day course x 2 (beginners and intermediate)
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Legacy continued

<p>Issue/Market Failure to be addressed (yesyes branding agency)</p>	<p>Proposed Capacity Building Activity</p>
<p>An infrastructure of local and</p>	<p>This proposal aims to secure funding</p>

<p>accessible creative industries businesses, conversant with new and emerging media forms needs to serve as a responsive and intuitive support to the success of fledgling, established and diversifying business, establishing networks based on trust and commonality of purpose. Some of these businesses will themselves be linked directly to the creative digital sector.</p>	<p>to up-skill a consortium of small and micro digital sector businesses to develop a careers advice application, aimed at young people, to engage them in exploring how their talents and interests can be applied across a range of digital sector careers.</p> <p>The application will utilise data from the Log on Move on and Lincs 2 CEIAG portals to signpost young people to appropriate provision, careers support and further information. The application developed by this project will help young people to focus on career paths within the sector and signpost them to courses delivering the relevant skills needed for promotion opportunities. These courses will then be delivered by the SSW partnership in the Humber.</p> <p>The application will be developed by a consortium of small and micro businesses in the digital sector in order to provide an opportunity for these SMEs to engage with providers and colleges in the Humber to offer better careers advice and guidance.</p>
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Sector Lead signature



Name _____Helen Wilson_____

Position General Manger – Humber EBP

Date _____8th April 2015_____

Hull College Acceptance Signature

Name _____

Position _____

Date _____